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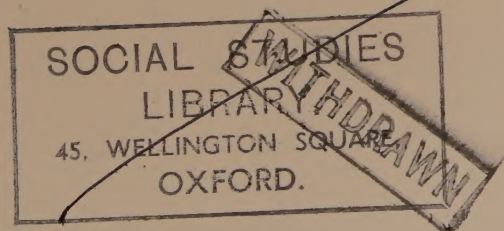
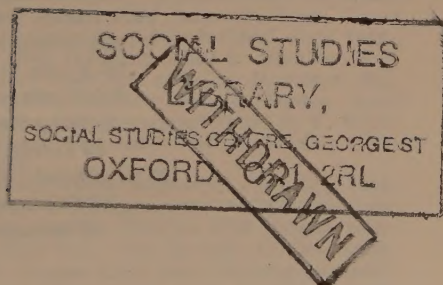
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DOCUMENTS ON
GERMAN FOREIGN POLICY
1918—1945

21,820



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1962

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DOCUMENTS ON GERMAN FOREIGN POLICY
1918-1945

SERIES C (1933-1937)

THE THIRD REICH: FIRST PHASE

VOLUME IV

APRIL 1, 1935-MARCH 4, 1936

CONTENTS

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PREFACE

In June 1946, the British Foreign Office and United States Department of State agreed to publish jointly documents from the captured archives of the German Foreign Ministry and the Reich Chancellery. Although these archives went back to the year 1867, it was decided to limit the publication to papers relating to the years after 1918, since the object of the publication was "to establish the record of German foreign policy preceding and during World War II". The editorial work was to be performed "on the basis of the highest scholarly objectivity". The editors were to have complete independence in the selection and editing of the documents. Publication was to begin and be concluded as soon as possible. Each Government was to be "free to publish separately any portion of the documents". In April 1947, the French Government, having requested the right to participate in the Project, accepted the terms of this agreement.

It was originally intended to complete the entire publication for the period 1918-1945 in some twenty volumes. When, however, the preliminary work on the selections for the years 1933-1945 was completed in 1954, it became apparent that an adequate selection of the documents for this period would require a publication on a scale approximately double the size which had been expected at the outset. After considering the length of time it would take to carry out a programme on this scale the participating Governments decided to limit the publication in English to the years 1933-1941, beginning on January 30, 1933, when Hitler became Reich Chancellor, and ending in December 1941, after the German declaration of war on the United States of America. The publication began with Series D, of which eleven volumes (1936/7-1941) have already appeared. Two further volumes are planned for Series D, namely Volumes XII and XIII. Series C (1933-1937) will be completed in six volumes.

This, the fourth volume of Series C, opens on April 1, 1935, immediately after the Simon-Eden conversations in Berlin, which are recorded in Volume III. It closes on March 4, 1936, on the eve of the German occupation of the Rhineland.

The documents included in the present volume have been selected jointly by the United States, British, and French editors, but the British editors have had editorial responsibility for this volume. The editors have exercised complete freedom in both the selection and editing of the documents in the volume. Readers should bear in

mind that these documents are presented as a source book for the study of history and not as a finished interpretation of history. It has been the aim throughout to keep any interpretative comment out of the footnotes.

The documents are printed in chronological order. A topical arrangement of the analytical list at the beginning of the volume is designed to help those who wish to read on particular subjects.

The documentation for the period covered by this volume is not altogether complete (see volume I of this Series, Appendix V). For the reasons stated in paragraph 6 of that Appendix many of the economic files on Russia have not been available. The files of Department II on armament questions and of the Press Department were evidently much reduced before they were transferred to the Political Archives. References have also been found to two files, dealing with the Eastern and Danubian Pacts respectively, which were not amongst the archives held.

Each document printed in this volume bears a microfilm serial and frame number in the upper lefthand corner. The microfilm copy of the original German text can be located by reference to Appendix III, "List of German Files Used". As fast as is technically possible, these microfilms are being made available to public research through the Public Record Office in London and the National Archives in Washington. The files of the German Foreign Ministry for the Weimar Period, originally intended for coverage by Series A and B of this collection, and for the period 1942-1945, have also been systematically microfilmed and copies have been deposited in the Public Record Office in London and the National Archives in Washington.

The translations have been drafted by the British translating staff, but the editors have final responsibility for the translations as well as full responsibility for the footnotes and other editorial matter. For some of the principles which have guided the editors with respect to translations and other phases of their work the reader is referred to the "General Introduction", published in each of the first four volumes of Series D.

The British editors wish to express their gratitude to the Librarian and Director of Research at the Foreign Office, Mr. R. W. Mason, C.M.G., and his staff for their cooperation, and to Miss C. W. Bedford, Miss P. M. Bragg, Miss V. Klein, Mr. J. N. Meinertzhagen, and Mr. D. A. R. H. Webster for their assistance in the preparation of this volume.

ANALYTICAL LIST OF DOCUMENTS¹

ABYSSINIA

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 May 10 | <i>Memorandum by an Official of Department II</i> Reports that enquiries addressed to military authorities have shown that no major war material has been supplied to Abyssinia by Germany; any German aircraft reaching Abyssinia can only be doing so via third parties. | 83 | 146 |
| July 18 | <i>State Secretary Bülow to Foreign Minister Neurath</i> Letter stating that a confidential emissary from the Emperor of Abyssinia has made private contact with former German Minister in Abyssinia now serving in Foreign Ministry to request German aid for Abyssinia in form of funds and supplies of weapons. Emissary promised complete secrecy. Proposal provisionally declined but requests instructions. [See also under <i>General Policy, Great Britain and Italy.</i>] | 212 | 454 |

AUSTRIA

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 16 | <i>Memorandum by the Deputy Director of Department II</i> Records information about <i>démarche</i> by Little Entente with British Government concerning Habsburg question, and British reply. | 34 | 61 |
| May 10 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports has learned that Austrian Government plan to announce law providing for Austrian rearmament on June 1. Has also learned of very secret plans for great Heimwehr parade and proclamation of Starhemberg as Regent on June 2; speculates on probable attitude of Schuschnigg to this Heimwehr dictatorship. | 84 | 147 |
| May 10 | <i>SS Gruppenführer Rodenbücher to Counsellor of Legation Altenburg</i> Encloses copy of directive by Hess to former executives of now disbanded Austrian NSDAP informing them of Hitler's final decision on disbandment of the Party and on employment of former Austrian political leaders in Reich Labour Front. | 85 | 148 |

¹ The documents in this volume have been arranged chronologically. For the convenience of readers who wish to trace topics through the volume the analytical list of documents has been arranged alphabetically by countries or regions. In addition four subject headings have been included: "Economic Policy", "General Policy", "Naval Negotiations" and "Rhineland".

AUSTRIA—continued

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| May 17 | <i>Minister Papen to the Führer and Chancellor</i> Letter stating reason why not seeking personal interview at this moment, referring to information (cf. document No. 84) on plan for parade of Heimatschutz and proclamation of Starhemberg regency on June 2, and outlining project for Germany to intervene by playing off Schuschnigg against Starhemberg through acknowledging national independence of Austria and allowing National Opposition complete freedom. Requests instructions. | 96 | 169 |
| May 27 | <i>The Minister in Austria to the Führer and Chancellor</i> Comments on reception in Austria of Hitler's speech of May 21 and on exploitation, especially by Starhemberg, of position of Germans in South Tyrol with object of troubling German relations with Italy, and reports conversation with Schuschnigg in advance of latter's speech commenting upon that made by Hitler. | 111 | 213 |
| June 6 | <i>Senior Counsellor Renthe-Fink to Counsellor of Embassy Erbach</i> Letter bringing to knowledge of Vienna Legation information from reliable foreign correspondent that a monarchy to be proclaimed in Vienna at end of June. | 138 | 274 |
| June 23 | <i>Editors' Note</i> Seyss-Inquart and the Mercur Bank. | | 346 |
| June 26 | <i>Counsellor Kotze to Minister Mackensen</i> Letter informing him of reports that Gömbös in recent conversation with Starhemberg offered to act as mediator in bringing about understanding between Vienna and Berlin. | 173 | 357 |
| July 4 | <i>Editors' Note</i> Law passed by Austrian Federal Diet repealing banishment of Habsburgs and restoring part of their confiscated property. | | 410 |
| July 8 | <i>Ministerialdirektor Köpke to Ambassador Hassell</i> Letter stating question of German attitude towards Austria still fluid; Hitler has given Papen, during latter's recent visit, permission to continue informal conversations with Austrians, but has stressed that Germany has no intention of entering into discussion with Italy; for German attitude to Italy refers to document No. 166 (see under <i>Italy</i>), and adds that further important consideration is not to bring Austrian question into limelight. | 197 | 422 |
| July 8 | <i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports Yugoslav Minister President enquired about German attitude in event of Habsburg restoration in Austria. | 198 | 423 |
| July 11 | <i>Unsigned Minute</i> Records conversation with Austrian M.F.A., to whom Papen communicated draft (attached) of proposals for improving Austro-German relations, emphasizing that these were purely his own proposals. | 203 | 434 |
| July 22 | <i>Memorandum by an Official of Department II</i> Records conversation with former Austrian Vice Chancellor Winkler on Habsburg question. Latter urged that Germany take initiative and reach agreement with Yugoslavia on common line of action in the event of Archduke Otto's return. | 216 | 458 |

AUSTRIA—continued

| Date | Subject | Doc. No. | Page |
|----------|--|----------|------|
| 1935 | | | |
| July 26 | <i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports conversation with Minister President Stojadinović concerning possible restoration of Habsburgs. Despite assurances to contrary, Minister President still believed present Austrian Government's aims to be to accomplish restoration, possibly by gradual stages. | 228 | 485 |
| July 27 | <i>The Minister in Austria to the Führer and Chancellor</i> Comments upon situation in Austria and reviews prospects of successful German policy there one year after death of Federal Chancellor Dollfuss. | 232 | 496 |
| Aug. 1 | <i>Memorandum by the Director of Department II</i> Describes a plan to establish a Bureau Megerle to maintain and further cultural and intellectual relations between Reich and Austria. Recommends that Foreign Ministry support Megerle in this work by granting financial assistance. | 241 | 522 |
| Aug. 28 | <i>Editors' Note</i> German-Austrian press agreement. | | 588 |
| Sept. 16 | <i>The Foreign Ministry to the Legation in Yugoslavia (Bled)</i> Informs Legation of confidential information concerning alleged agreement between Austria and Italy in event of invasion of Austria by German troops. | 296 | 633 |
| Oct. 1 | <i>The Austrian Federal Minister for Foreign Affairs to the German Minister in Austria</i> Refers to document No. 203, encloses draft counter proposals, and states would be willing to open negotiations on basis of these two drafts. | 319 | 676 |
| Oct. 7 | <i>Memorandum by a Deputy Director of Department II</i> Records telephone conversation with Papen who described outcome of his latest conversation with Hitler and latter's instructions on continuing negotiations with Austrians. | 335 | 705 |
| Oct. 11 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports conversation with Austrian M.F.A. about Austrian attitude to League Assembly findings in Italo-Abyssinian dispute and information reaching him concerning divided attitude within Austrian Cabinet, and states reasons for refraining for time being from discussions on Austro-German settlement. | 349 | 724 |
| Oct. 18 | <i>The Minister in Austria to the Führer and Chancellor</i> Comments on reconstruction of Schuschnigg's Cabinet on October 17, in which he detects success for Starhemberg, though cannot ascertain what influence exerted by Mussolini. Considers, although changes may immediately appear as disadvantageous to Reich, every loosening of Austrian system must benefit Germany in the long run. | 363 | 751 |
| Oct. 21 | <i>The Minister in Austria to the Foreign Ministry</i> Reports conversation with Secretary General Peter who stated Austrian Government satisfied with outcome of press truce and desired to continue on same lines. Proposes to return shortly to Berlin to report. | 368 | 761 |

AUSTRIA—continued

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| Nov. 19 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports on various indications of activities by Legitimists in Austria and states has learned from good source that Vatican prepared to afford diplomatic support to Habsburg restoration. | 417 | 831 |
| Nov. 26 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports on development of political situation inside Austria since reconstruction of Government, on conversations with editor of <i>Reichspost</i> , Funder, and with former Finance Minister Buresch, on Government's efforts to win over Socialist working classes, on unstable financial situation, and on renewed activity in favour of Habsburg restoration and question of Vatican mediation. | 428 | 852 |
| Dec. 28 | <i>The Minister in Austria to the Foreign Ministry</i> Describes latest developments in question of Habsburg restoration and over possibility of establishment of regency under Starhemberg. | 476 | 936 |
| 1936 | | | |
| Jan. 9 | <i>Memorandum by an Official of Department II</i> Offers comments on Mussolini's proposals concerning Austria (reported in document No. 485; see under <i>Italy</i>) which should be rejected in politest possible manner. | 487 | 978 |
| Jan. 10 | <i>The Minister in Austria to the Führer and Chancellor</i> Comments upon effect which weakened position of Italy must have upon policy of Austrian Government who endeavouring to find some other reinsurance against National Socialism. Gives details of reports sent to Vatican on Austrian question by Cardinal Pro-Nuncio in Vienna and describes recent conversation with Starhemberg, with whom has remonstrated at Austria's permitting herself to be drawn into anti-German front in Central Europe. | 488 | 980 |
| Jan. 24 | <i>The Foreign Minister to the Minister in Austria</i> Refers to documents Nos. 476 and 488, informs of statements made by Mussolini (as reported in document No. 485; see under <i>Italy</i>) and sends instructions as to line to be pursued with Austrian Government and various Austrian politicians. | 515 | 1028 |
| Jan. 28 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports information from his Yugoslav colleague Nastasijević on French <i>démarche</i> in Belgrade to resolve discord between Austria and Yugoslavia occasioned by Schuschnigg's visit to Prague and Starhemberg's speech on Jan. 19; speech had also occasioned Little Entente <i>démarche</i> in Paris. Nastasijević also instructed by Prince Regent to inform Papeu that Yugoslav Government still opposed to Habsburg restoration; had also learned from British colleague that British Government likewise opposed to restoration. | 526 | 1045 |
| Feb. 6 | <i>The Minister in Austria to the Führer and Chancellor</i> Transmits report from confidant of account given by Austrian M.F.A. to Cabinet of Starhemberg's talks in London; reports conversation with Hungarian M.F.A. Kánya on impressions gained by latter in London; adduces evidence to suggest intervention by Mussolini with Austrian Government in Germany's favour. | 544 | 1101 |

AUSTRIA—continued

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1936 | | | |
| Feb. 12 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports conversation with Starhemberg, who advocated formation of united front between Italy, Austria, Germany and Hungary to resist onslaughts of Jewish Freemason front against Fascism. | 556 | 1126 |
| Feb. 25 | <i>Memorandum by Ministerialdirektor Dieckhoff</i> Comments upon proposal made by Schuschnigg to Papen for a declaration to be made by a high authority in each country on need to set aside mutual strife and work to advantage of common interests between Germany and Austria. [See also under <i>Italy</i> .] | 586 | 1190 |

BALTIC STATES

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| Apr. 5 | <i>Memorandum by the Foreign Minister</i> Records has informed Latvian Minister that Germany still prepared to avoid increasing strain on German-Lithuanian relations provided Lithuania stopped campaign against Germans in Memel. | 13 | 16 |
| Apr. 7 | <i>The Minister in Estonia to the Foreign Ministry</i> Reports information from Estonian M.F.A. on fresh Russian <i>démarche</i> in Eastern Pact question and Estonian reply. | 16 | 20 |
| Apr. 17 | <i>Minute by an Official of the Reich Chancellery</i> Records Lithuanian proposal designed to create German-Lithuanian <i>détente</i> , of which has been informed by Aussenpolitisches Amt, who have requested decision on whether to take up proposal. | 39 | 70 |
| Apr. 19 | <i>The Legation in Lithuania to the Foreign Ministry</i> Reports on <i>démarche</i> made in Kovno on April 19 by Powers signatories to Memel Convention. | 42 | 73 |
| May 2 | <i>The Minister in Lithuania to the Foreign Ministry</i> Reports Lithuanian reply to Note of April 19 from Powers signatories to Memel Convention now communicated, and gives outline of reply. | 62 | 112 |
| June 29 | <i>Circular of the Foreign Ministry</i> States that Lithuanian M.F.A., on passing through Berlin, was informed in response to his enquiry that he could only be received by Reich M.F.A. if he brought concrete proposals for improving German-Lithuanian relations. | 185 | 390 |
| July 9 | <i>The State Secretary to the Legation in Latvia</i> Sends instructions for immediate discussion with Latvian Secretary General for Foreign Affairs on proposed Eastern Pact, and for language to be held. | 200 | 425 |
| July 15 | <i>Memorandum by the State Secretary</i> Records conversation with Latvian Minister who gave details of recent Ambassadors' Conference in Riga and of Latvia's attitude towards question of Eastern Pact. | 208 | 449 |

BALTIC STATES—*continued*

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Aug. 1 | <i>Memorandum by the Director of Department IV</i> Puts forward proposals for action to be taken with the Powers signatories to Memel Convention by causing a representative of Memel Germans to submit a memorandum of complaints in Geneva and for German diplomatic representatives to make personal representations to Signatory Powers. | 289 | 517 |
| Aug. 7 | <i>Memorandum by an Official of Department IV</i> Reviews developments in Memel Territory where Lithuanian campaign against autonomy prescribed in Memel Statute has led to systematic violation of rights of inhabitants, and describes recent diplomatic and economic action by Germany in support of Memel Germans. Makes recommendations as to future German policy in view of impending elections in Memel. | 255 | 547 |
| Sept. 15 | <i>Editors' Note</i> Speech by Hitler to the Reichstag; reference to Lithuania and Memel. | | 632 |
| Sept. 18 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador on Memel question; requested latter to draw attention of British Government to Hitler's statements at Nuremberg on Lithuania and Memel. | 300 | 638 |
| Sept. 27 | <i>Memorandum by the Director of Department II</i> Records conversations with French and British Ambassadors who presented identic memoranda on Memel question. Objected to French Ambassador that memorandum placed Germany on same footing as Lithuania. | 305 | 652 |
| Sept. 27 | <i>Memorandum by the Director of Department II</i> Records conversation with Italian Ambassador who presented memorandum on Memel question corresponding to earlier ones received from French and British (document No. 305, enclosure). Complained to Ambassador about feeble Italian support over Memel. | 306 | 656 |
| Oct. 11 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador, who endeavoured to show that British Government had done everything they could to normalize situation in Memel. | 345 | 719 |
| Oct. 17 | <i>The Foreign Minister to the Embassies in Great Britain, France and Italy</i> Instructs addressees to bring to notice of Government to whom accredited situation created by elections in Memel Territory: gives description of this situation. | 356 | 737 |
| Oct. 23 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador, who informed him that Lithuanian M.F.A. had caused British Government to be asked to mediate with view to improving Lithuanian-German relations; question of mutual release of prisoners raised. | 377 | 771 |
| Oct. 23 | <i>Memorandum by the Consul General in Memel</i> Records interview with Hitler to whom he reported on course of elections in Memel and their results, and proposed certain points as preconditions for German-Lithuanian agreement. | 378 | 772 |

BALTIC STATES—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Nov. 20 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports remarks by British Foreign Secretary on Memel question; British efforts to ensure that position under Memel Statute is restored. | 422 | 840 |
| Dec. 12 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador on subject of British suggestion for exchange of Memelland prisoners against Lithuanians imprisoned in Germany. Ambassador deplored German attitude in refusing to negotiate with Lithuanians on question. | 456 | 902 |
| 1936 Jan. 13 | <i>Memorandum by a Deputy Director of Department II</i> Refers to necessity of relieving dangerous economic situation in Memel Territory and method envisaged which requires supplying about 1 million RM in foreign exchange, and proposes that Foreign Minister approach Reichsbank President Schacht. Also submits for consideration whether time has not come for restoration of normal economic relations with Memel, in interests of Reich. | 495 | 1001 |
| Feb. 7 | <i>The Foreign Minister to the Legation in Lithuania</i> Sends instructions on statement to be made to Lithuanian M.F.A. concerning release of Memel prisoners. | 548 | 1114 |
| Feb. 7 | <i>The Foreign Minister to the President of the Reichsbank and acting Reich and Prussian Minister of Economics</i> Letter informing him of instructions sent to German Minister in Kovno on initiating economic negotiations with Lithuania; also discusses question of provision of foreign exchange to relieve situation in Memel, and refers to wish expressed by Hitler that assistance be given to Memel Territory. | 549 | 1115 |
| Feb. 12 | <i>The State Secretary to the President of the Reichsbank and acting Reich and Prussian Minister of Economics</i> Informs of démarche made by German Minister in Kovno with Lithuanian M.F.A. concerning initiating economic negotiations, and of views expressed in confidence by President of Memel Directorate. | 554 | 1122 |
| Feb. 22 | <i>Memorandum by Ministerialdirektor Dieckhoff</i> Records conversation with Lithuanian Minister in Berlin concerning Lithuanian acceptance of German proposals for economic negotiations and general question of improving relations between the two countries. | 578 | 1168 |

BELGIUM

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 May 25 | <i>Memorandum by the Director of Department II</i> Records conversation with Belgian Minister who asked several questions concerning interpretation of passages in Hitler's speech of May 21, particularly concerning German attitude to Treaties of Locarno and Versailles. | 108 | 207 |

BELGIUM—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 July 19 | <i>The Chargé d'Affaires in Belgium to the Foreign Ministry</i> Reports official communication to him of <i>aide-mémoire</i> containing Belgian Government's views on German observations concerning relation of Franco-Russian Agreement of May 2, 1935, to Treaty of Locarno (see document No. 107, under <i>General Policy</i>); summarizes Belgian views. | 213 | 455 |
| July 26 | <i>Count de Kerchove to Ministerialdirektor Köpke</i> Letter enclosing Belgian Government's statement of their views on proposed Air Pact for Mutual Assistance. | 229 | 487 |
| Oct. 9 | <i>Ministerialdirektor Dieckhoff to Ambassador Ribbentrop</i> Letter referring to law passed by Belgian Government whereby Belgians not Belgian citizens by birth are liable, in certain circumstances, to be deprived of their nationality by decision of courts, and stating that proceedings under this law now being taken against certain inhabitants of Eupen-Malmédy; draws attention to adverse effects on German-Belgian relations and recommends taking opportunity to raise this in any conversations with Belgian statesmen. | 342 | 715 |
| Oct. 25 | <i>The State Secretary and Head of the Presidential Chancellery to the Foreign Minister</i> Encloses memorandum on farewell audience which retiring Belgian Minister had with Hitler; Minister's proposals for exchange of political declarations and definitions between Belgium and Germany; Hitler's views on territorial questions. | 381 | 775 |
| Nov. 7 | <i>The Chargé d'Affaires in Belgium to the Foreign Ministry</i> Refers to document No. 381 and states that, in conversation with Belgian Secretary General when making <i>démarche</i> concerning trial of certain inhabitants of Eupen-Malmédy, it has transpired that Belgian report of conversation contained in document No. 381 differs from German report in containing no reference to distinction drawn by Hitler between Eupen-Malmédy and Alsace-Lorraine. | 403 | 804 |
| Dec. 20 | <i>Foreign Minister Neurath to Ambassadors Hoesch, Köster, Hassell, Schulenburg and Moltke</i> Instructs that statement by Hitler to British Ambassador that he had no further territorial claims in the West must not be taken to refer to Eupen-Malmédy. | 471 | 931 |
| Dec. 28 | <i>Memorandum by the Chargé d'Affaires in Belgium</i> Refers to information in possession of Belgian Government purporting to show that Germany attaches such decisive importance to improved relations with Belgium as to make concern for population of Eupen-Malmédy fade into background; discusses reasons for this belief. | 477 | 938 |
| 1936 Jan. 11 | <i>The Chargé d'Affaires in Belgium to the Foreign Ministry</i> Reports conversation with Belgian Minister President who attached importance to personally handing him Belgian reply to German protest at action taken against certain inhabitants of Eupen-Malmédy under Belgian Deprivation of Citizenship Law. Submits own interpretation of conversation. | 491 | 988 |
| Jan. 21 | <i>The Foreign Minister to the Legation in Belgium</i> Refers to document No. 491 and sends instructions on reply to be made to Belgian Minister President. | 508 | 1017 |

BELGIUM—continued

| Date | Subject | Doc. No. | Page |
|----------------|--|----------|------|
| 1936 Feb. 1 | <i>The Chargé d'Affaires in Belgium to the Foreign Ministry</i> Refers to document No. 508 and reports conversation with Minister President van Zeeland on reception in Berlin of latter's proposals and on Eupen-Malmédy; subsequently discussed this conversation with Belgian Secretary General van Langenhove. [See also under <i>Rhineland</i> .] | 534 | 1080 |

BULGARIA

| Date | Subject | Doc. No. | Page |
|----------------|--|----------|------|
| 1935 Apr. 5 | <i>Memorandum by the Deputy Director of Department II</i> Records has learned Hitler and Reichswehr Minister have agreed to accede to King of Bulgaria's request, conveyed by Bulgarian Consul General in Berlin, for aircraft and material for army. | 14 | 17 |
| Apr. 25 | <i>Minute by an Official of Department II</i> States, with reference to document No. 14, that has consulted with Reichswehr Ministry, who consider it would be inopportune at present juncture to supply Bulgaria with prohibited arms. | 48 | 83 |
| 1936 Jan. 2 | <i>Minister Rümelin to State Secretary Bülow</i> Letter describing private conversation with King Boris concerning Italo-Abyssinian-British crisis, political developments within Bulgaria, and question of Bulgaria's obtaining arms from Germany. | 481 | 961 |
| Feb. 12 | <i>The Military Attaché in Bulgaria to the War Ministry</i> Transmits message from newly appointed Minister of War concerning Bulgarian requirements in respect of supply of arms from Germany. | 557 | 1128 |

CZECHOSLOVAKIA

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 May 15 | <i>The Minister in Czechoslovakia to the Foreign Ministry</i> Reports conversation with Beneš concerning Russo-Czechoslovak Treaty; relations with Germany; attitude to projected Danubian conference in Rome and to maintenance of Austrian independence. | 89 | 160 |
| May 22 | <i>The Minister in Czechoslovakia to the Foreign Ministry</i> Reviews results of parliamentary elections in Czechoslovakia; considers tremendous victory of Henlein's party amongst Sudeten Germans gratifying from point of view of Germany. | 99 | 186 |
| May 25 | <i>Circular of the Foreign Ministry</i> Instructions on attitude to be adopted in conversations concerning Russo-Czechoslovak Treaty of Mutual Assistance of May 16, 1935. | 105 | 196 |

CZECHOSLOVAKIA—continued

| Date | Subject | Doc. No | Page |
|-----------------|--|---------|------|
| 1935 May 29 | <i>The Head of the Volksbund für das Deutschtum im Ausland to the Foreign Ministry</i> Gives details of subsidies provided by his organization for the work in Czechoslovakia which formed subject of recent discussions. | 119 | 229 |
| June 3 | <i>The Minister in Czechoslovakia to the Foreign Ministry</i> Reports conversation with Beneš on <i>émigré</i> question, when latter advocated concluding a treaty; on Czech-Russian Treaty, and on offer contained in Hitler's May 21 speech to conclude non-aggression pacts with neighbouring States. | 128 | 242 |
| Oct. 2 | <i>Memorandum by an Official of Department II</i> Records discussion at Foreign Ministry with three representatives of Sudeten German Party who explained that, as result of verbal assurances given Henlein by Reichsbank President Schacht, Sudeten German Party had incurred financial liabilities requiring transfer from Reich of lump sum, instead of instalments previously envisaged. | 320 | 679 |
| Oct. 17 | <i>Senior Counsellor Renthe-Fink to Counsellor of Legation Stein</i> Letter stating question of financing Sudeten German Party again discussed and with what results. | 357 | 742 |
| Oct. 17 | <i>Memorandum by the Foreign Minister</i> Records observations made to Czechoslovak Minister who presented <i>note verbale</i> complaining of tone adopted by German press towards Czechoslovakia. | 359 | 743 |
| Nov. 16 | <i>A Deputy Director of Department II to the Legation in Czechoslovakia</i> Gives details of sums transferred to Legation for Sudeten German Party and states uses to which funds should be put. | 413 | 821 |
| Nov. 26 | <i>The Chargé d'Affaires in Czechoslovakia to the Foreign Ministry</i> Reports conversation with Czechoslovak M.F.A. Beneš, who discussed impending retirement of State President Masaryk, and described his own policy and aims in both home and foreign affairs. | 429 | 856 |
| 1936 Jan. 22 | <i>Memorandum by a Deputy Director of Department II</i> Records that Propaganda Ministry unable to induce Finance Ministry to supply funds for subsidizing new Sudeten Party daily paper. Submits that, in view of adverse effects on Sudeten Party if paper were to cease publication, Foreign Ministry should intervene with Ministries of Propaganda and Finance. | 512 | 1026 |
| Feb. 13 | <i>The State Secretary to the Legation in Czechoslovakia</i> Refers to document No. 543 (see under <i>General Policy</i>) and sends instructions for statement of German views to be made to Prague in connection with forthcoming economic conference of Little Entente and with reports that it is there proposed to try to link Austria, Hungary, Italy, Bulgaria and Little Entente more closely together economically as prelude to political settlement. | 559 | 1131 |

CZECHOSLOVAKIA—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1936 Feb. 23 | <i>The Minister in Czechoslovakia to the Foreign Ministry</i> Reports conversation with President Beneš, who described his own policy at length, claimed to have no anti-German prejudices, denied existence of any Russo-Czech military agreements, discussed <i>Anschluss</i> question and stated was opposed to Danubian federation plans. [See also under <i>General Policy</i> .] | 580 | 1177 |

ECONOMIC POLICY

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 10 | <i>Circular of the Foreign Ministry</i> Refers to document No. 207 in vol. III of this Series, and describes development of German foreign trade since introduction of New Plan. | 22 | 38 |
| May 3 | <i>Unsigned Memorandum</i> Comments upon obstacles to German exports as being of two kinds: (1) statistically assessable; (2) imponderable, of which Church question, Jewish question, and Gestapo are of major importance. Submits proposals for removing these impediments. | 67 | 121 |
| May 28 | <i>The Reich Finance Minister to the Foreign Minister</i> States that, contrary to Law on War Material of 1927, disguised imports and exports have been permitted, but that, with increase in this traffic, present procedure needs reorganizing; submits proposals to that end. | 116 | 225 |
| June 19 | <i>The Foreign Ministry to the Reich and Prussian Ministry of Economics</i> Objects to draft law empowering Reich Minister of Economics to introduce system of compulsory levies on industry for purposes of export promotion, on grounds that such action will infringe anti-dumping legislation of other countries, notably USA, and invite reprisals against German exports. | 157 | 326 |
| June 24 | <i>The Reich War Minister and Commander in Chief of the Wehrmacht to the Foreign Minister</i> States reasons for considering Law on Import and Export of War Material should now be rescinded and requests support for this view. | 168 | 350 |
| June 26 | <i>Minutes of a Conference of Ministers</i> Consideration of draft of a law for raising levies from industry, and decisions taken. | 174 | 358 |
| Aug. 30 | <i>Memorandum by the State Secretary</i> Notes for telephone conversation with Foreign Minister concerning proposed new law on import and export of war material. | 279 | 602 |
| | <i>Editors' Note</i> German Export Consortium for War Material [<i>Ausfuhrge-meinschaft für Kriegsgerät</i>]. | | 791 |

ECONOMIC POLICY—*continued*

| Date | Subject | Doc. No. | Page |
|----------------|--|----------|------|
| 1935 Nov. 6 | <i>Memorandum by an Official of Department II</i> Records that, on basis of conference with State Secretary, has discussed customs procedure for export of war material, particularly to Italy and Abyssinia, with member of Reich Finance Ministry. Latter pointed out difficulties arising from failure to promulgate new law on import and export of war material. | 395 | 792 |
| Nov. 7 | <i>Minute by the Director of the Economic Department</i> Records instructions given him at conference with Foreign Minister to inform Reich Finance Ministry that Foreign Ministry agree to proposed action on law on import and export of war material now being taken; states has carried out these instructions. | 402 | 803 |
| Nov. 9 | <i>The Director of the Economic Department to the Missions in Brazil, Japan and the United States</i> States that decree will shortly be published concerning export embargos on certain important foodstuffs and raw materials, and explains reason solely to safeguard requirements of German domestic economy. | 406 | 810 |

FAR EAST

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Apr. 1 | <i>The Director of Department IV to the Consulate General at Shanghai</i> Instructions to forward to Consul General, Canton, telegram stating that Klein has left Berlin with approval of highest authorities and should be afforded all assistance he requests. | 1 | 1 |
| Apr. 18 | <i>The Chargé d'Affaires in China to the Foreign Ministry</i> Reports has seen telegram from Falkenhausen to Seeckt containing Chiang Kai-shek's comments on German military supplies to Canton. | 40 | 71 |
| Apr. 24 | <i>The Foreign Ministry to the Reichswehr Ministry</i> States reasons why proposed fact-finding tour of China by German Military Attaché in Tokyo undesirable. | 45 | 78 |
| May 6 | <i>Memorandum by the Foreign Minister</i> Records conversation with Japanese Ambassador who introduced new Counsellor; latter explained Japanese trade policy and pointed out that Japan would be forced to reply in kind should Germany impose import quotas. Questions of forthcoming Naval Conference, German attitude to Franco-Soviet Pact and Japanese objections to German racial discrimination also raised. | 69 | 127 |
| May 7 | <i>Memorandum by the Foreign Minister</i> Adds to conversation recorded in document No. 69 that Japanese Ambassador also raised question of mandates, on basis of press reports that this topic discussed during Simon-Eden conversations in Berlin. | 73 | 131 |

FAR EAST—continued

| Date | Subject | Doc. No. | Page |
|---------------|--|----------|------|
| 1935 May 7 | <i>Direktor Brinkmann to Ministerialdirektor Ritter</i> Letter enclosing copy of letter furnished by Schacht to Klein for presentation to Chang Kai-shek in Nanking concerning projected Sino-German agreement for exchange of goods; states Klein now wishes to have enclosed letter addressed to Kung, Chinese Finance Minister and President of National Bank, instead, and enquires whether Foreign Ministry see objection to so doing. | 76 | 186 |
| May 17 | <i>The Minister in China to the Foreign Ministry</i> Transmits telegram from Consul General Kriebel urging recall of German military advisers from Canton and abandonment of Klein's arms transactions there since fears the continuance of these ventures in Canton is imperilling German position with Nanking Government. | 94 | 167 |
| May 24 | <i>The Director of Department IV to the Legation in China</i> States that Klein to get in touch with Marshal Chiang Kai-shek to settle all questions, especially concerning Canton; gives basis on which conversations to be conducted. | 101 | 192 |
| July 31 | <i>Memorandum by the State Secretary</i> Records enquiry by Italian Ambassador as to whether Russian concern at attempts by APA or NSDAP to bring about political agreements with Japan had any foundation. | 238 | 516 |
| Oct. 7 | <i>The Chinese Finance Minister to the Acting Reich Minister of Economics</i> Letter conveying thanks for approval given to agreement with Klein and promising to communicate further plans for improving German-Chinese economic cooperation. | 338 | 711 |
| Oct. 11 | <i>Memorandum by the Director of Department III</i> Records conversation with Japanese Chargé d'Affaires who enquired as to German attitude to Italo-Abyssinian conflict. | 346 | 720 |
| Oct. 30 | <i>Editors' Note</i> Despatch of German unofficial study mission to Far East. | | 782 |
| Nov. 18 | <i>Memorandum by a Deputy Director of Department III</i> Reports that Transocean representative in Shanghai has, at instance of Chinese Minister President Wang Ching-wei, come to Germany to give to Consul General Kriebel a memorandum drawn up after discussions between Wang Ching-wei and Chiang Kai-shek. It is desired to obtain Hitler's views on memorandum which poses question as to German willingness to act as intermediary to set in train cooperation between Germany, China and Japan in economic and anti-Communist spheres. Action taken by Kriebel and Ribbentrop with Hitler in support of proposals. | 416 | 829 |
| Nov. 28 | <i>The Minister in China to the Foreign Ministry</i> Reports Marshal Ch'en Chi-t'ang asked him to telegraph Reichswehr Minister to cause Klein to come immediately to Canton in connection with construction of arsenal, where work had come to standstill since spring. | 432 | 864 |

FAR EAST—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Nov. 28 | <i>The Ambassador in Japan to the Foreign Ministry</i> Reports on increasing tension between China and Japan as result of recent events in China, and that, in view of strained and unclear situation, all proposals of Nanking Government for inclusion of Germany in economic or other developments in South East Asia regarded in Japan with extreme distrust. | 433 | 864 |
| Dec. 6 | <i>Unsigned Memorandum</i> Records information from Japanese Ambassador that Manchukuo Government desire German Government to be sounded as to their willingness to receive a Manchukuo "trade commissioner" in Berlin. Recommends approving this. | 448 | 888 |
| Dec. 7 | <i>The Foreign Ministry to the Consulate at Hong Kong</i> Instructions from Ribbentrop to Consul General Kriebel on reply to be made to Chiang Kai-shek concerning possibility of German mediation. | 451 | 894 |
| Dec. 7 | <i>Memorandum by the Director of the Economic Department</i> Records suggestion by Ministerialdirektor Wohlthat of Ministry of Economics about informing Minister Kiep of negotiations through Ribbentrop with Japanese. | 452 | 895 |
| Dec. 16 | <i>The Consul General at Shanghai to the Foreign Ministry</i> Refers to document No. 451, and sends message for Ribbentrop concerning inadvisability of communication to Chiang Kai-shek. | 466 | 924 |
| Dec. 27 | <i>Memorandum by the Head of the Press Department</i> Reports that Tass Agency issuing report that negotiations between Ribbentrop and Japanese Military Attaché in Berlin coming to close and that convention already initialled. | 475 | 936 |
| | <i>Editors' Note</i> Negotiations between Ribbentrop and Japanese military representatives in 1935. | | 948 |
| 1936 Jan. 1 | <i>Ambassador Dirksen to Senior Counsellor Erdmannsdorff</i> Letter commenting on negotiations with Oshima, which believes initiated by Ribbentrop and Canaris, and on Fürholzer-Kriebel negotiations, which believes stillborn. Encloses memorandum of his views on possibilities of German-Japanese military and political collaboration. | 479 | 948 |
| Jan. 13 | <i>The Consul General at Shanghai to the Foreign Ministry</i> Reports is informed by Wang Ching-wei that Chiang Kai-shek has associated himself with action taken by Wang and which was discussed in Berlin. Non-use of diplomatic channels and absolute secrecy promised. | 493 | 997 |
| Jan. 20 | <i>Memorandum by the Director of Department III</i> Refers to British press report on conclusion of German-Japanese military agreement, and states has submitted question of <i>démenti</i> to Ribbentrop who has sought Hitler's instructions. | 504 | 1011 |
| Jan. 21 | <i>The Ambassador in Japan to the Foreign Ministry</i> Reports has learned from Polish colleague of view held by US Ambassador in Moscow that Soviet Government would, for fear of Germany, not react to any Japanese invasion of Outer Mongolia. | 511 | 1025 |

FAR EAST—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1936 Jan. 24 | <i>Memorandum by a Deputy Director of Department III</i> Records information from Foreign Minister that latter was summoned to conference with Hitler, attended also by War Minister and Klein from China. Latter questioned about his Canton projects and complained of receiving insufficient support from German Missions in Nanking and Canton. | 517 | 1032 |
| Feb. 11 | <i>The Minister in China to the Foreign Ministry</i> Submits report on conversation with Chiang Kai-shek concerning alleged conclusion of German-Japanese agreement, German negotiations with Manchukuo, activities of Klein in Canton, German attitude towards Britain and Italy, and Chiang's interest in promotion of German-Japanese cooperation. | 552 | 1117 |
| Feb. 20 | <i>The Ambassador in Japan to the Foreign Ministry</i> Comments on views expressed by Kiep, leader of economic mission to South East Asia, that negotiations with Japan and Manchukuo should if necessary be protracted or even broken off. Considers this course unjustified. | 573 | 1157 |
| Feb. 26 | <i>The Embassy in Japan to the Foreign Ministry</i> Reports military rising early that morning in Tokyo. Many Ministers and other prominent persons believed dead. | 588 | 1196 |

FRANCE

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 22 | <i>The Ambassador in France to the Foreign Ministry</i> Reports on trends in French political opinion and prospects of conclusion of Franco-Russian treaty. | 44 | 75 |
| June 3 | <i>The Ambassador in France to the Foreign Ministry</i> Transmits memorandum handed him by M.F.A. stating French Government consider suggestions made by German Government relating to projected Eastern Pact as constituting, subject to certain reservations, profitable basis for negotiations, and requesting German views on best method for proceeding to exchange of views on subject. | 127 | 241 |
| June 4 | <i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 127 and reports conversation with M.F.A., who promised written reply to German Memorandum enclosed in document No. 107 (see under <i>General Policy</i>), and explained reasons for French proposals communicated in document No. 127. | 129 | 246 |
| June 25 | <i>The Chargé d'Affaires in France to the Foreign Ministry</i> Reports conversation with Laval when latter handed him French Memorandum contained in document No. 170. | 169 | 351 |
| June 25 | <i>The Chargé d'Affaires in France to the Foreign Ministry</i> Transmits French Memorandum in reply to German Memorandum of May 25 (document No. 107, enclosure; see under <i>General Policy</i>), concerning compatibility of Franco-Soviet Pact with Locarno Pact. | 170 | 352 |

FRANCE—*continued*

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| June 25 | <i>Memorandum by the Foreign Minister</i> Records conversation with French Ambassador who described Laval's policy and said latter would try to start discussions with Germany as soon as ill-feeling over Anglo-German naval conversations had died down. | 171 | 355 |
| June 25 | <i>Memorandum by the State Secretary</i> Records conversation with French Ambassador who maintained Franco-Soviet Treaty would become invalid if Eastern Pact on German model came into being. | 172 | 356 |
| June 29 | <i>Memorandum by the State Secretary</i> Records conversation with French Ambassador concerning communication of German draft for projected Air Pact in London only; latter made personal suggestion that draft be communicated in Paris. Recommends pursuing this suggestion since French concern evidently to open discussions with Germany. | 186 | 390 |
| July 23 | <i>State Secretary Bülow to Ambassador Köster</i> Letter instructing Ambassador on points of particular importance to be dealt with in latter's forthcoming conversation with Laval. | 218 | 464 |
| July 24 | <i>The Ambassador in France to the Foreign Ministry</i> Reports that before seeing M.F.A. has thought it best to have detailed conversation with Secretary General Léger to whom he represented German views on French Note of June 25 (document No. 170) and on Eastern Pact. Question of projected Air Pact also briefly discussed. | 220 | 467 |
| July 25 | <i>Memorandum by the State Secretary</i> Comments upon manner in which Ambassador Köster in Paris conducted conversation with Secretary General Léger as reported in document No. 220. | 223 | 475 |
| July 26 | <i>Foreign Minister Neurath to State Secretary Bülow</i> Letter referring to document No. 220 and expressing astonishment at Ambassador Köster's conduct of this conversation. Latter's attention should again be drawn to his instructions before his conversation with Laval. | 225 | 482 |
| July 27 | <i>The Ambassador in France to the Foreign Ministry</i> Reports points from conversation with Minister President Laval concerning latter's objective of reaching settlement of questions at issue between Germany and France. | 231 | 493 |
| July 30 | <i>State Secretary Bülow to Ambassador Köster</i> Letter commenting critically upon Ambassador's reports of his conversations with Minister President Laval (document No. 231) and Secretary General Léger (document No. 220). Gives reasons for considering Ambassador's remarks in latter conversation particularly ill-advised. | 235 | 507 |
| Aug. 10 | <i>State Secretary Bülow to Ambassador Köster</i> Letter commenting upon German attitude to projected Eastern Pact and asking Ambassador to ascertain informally precisely what rôle French themselves wish to play in such a Pact. | 260 | 554 |

FRANCE—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Aug. 29 | <i>Memorandum by the State Secretary</i> Records conversation with French Ambassador who officially communicated draft of a Danubian Pact, intended to form basis for discussion at future conference to which Germany would be invited. | 277 | 596 |
| Sept. 5 | <i>Memorandum by the State Secretary</i> " Records conversation with Italian Ambassador who supplied information from Italian Ambassador in Paris concerning latter's conversations with Léger and Laval on French attitude towards Eastern Pact. | 287 | 618 |
| Sept. 9 | <i>The Ambassador in France to the Foreign Ministry</i> Reports that Secretary General Léger absent in Geneva and comments upon information from Italian Ambassador in Paris contained in document No. 287. | 289 | 623 |
| Oct. 29 | <i>Counsellor Rintelen to Ambassador Köster</i> Letter sending brief account of reception by Hitler of foreign editor of <i>L'Information</i> , de Brinon, who stated Laval would welcome opportunity for useful conversation with Germany. | 384 | 779 |
| Nov. 16 | <i>The Ambassador in France to the Foreign Ministry</i> Summarizes views recently expressed to him by Laval on further development of Italo-Abyssinian conflict and French attempts at mediation. | 412 | 819 |
| Nov. 18 | <i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 412 and reports further conversation with Laval, who emphasized desire to improve Franco-German relations and proposed publication of "diplomatic document" stressing desire of both Governments in this sense and containing assurance regarding Germany's intentions towards Russia. Submits own comments on Laval's proposals. | 415 | 825 |
| Nov. 19 | <i>Memorandum by the Foreign Minister</i> Reports conversation with French Ambassador who described Laval's aim of reaching understanding with Germany and ideas about joint Franco-German declaration in this sense. | 418 | 833 |
| Nov. 19 | <i>Memorandum by the Director of Department II</i> Refers to document No. 415 and submits comments upon Laval's suggestion for improving Franco-German relations by means of "diplomatic document" and proposals for instructions to Ambassador in Paris. | 419 | 835 |
| Nov. 20 | <i>Memorandum by the State Secretary</i> Comments upon observations submitted in document No. 419, and disagrees with proposed procedure. Considers reply to Laval should be quite magnanimous and phrased in broad vague terms, and that latter should be plainly told of German disapproval of Franco-Russian Pact, which considered to endanger Locarno. | 423 | 841 |

FRANCE—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Nov. 22 | <i>Memorandum by the Foreign Minister</i> Records interview between Hitler and French Ambassador, at which latter proposed communiqué stating that Germany continued to desire understanding with France, and drew attention to Laval's statement that Franco-Soviet Pact not directed against Germany. Statement by Hitler that Franco-German <i>rapprochement</i> on basis of Franco-Soviet Assistance Pact out of question. | 425 | 847 |
| Nov. 23 | <i>Memorandum by the Director of Department II</i> Records conversation with Italian Ambassador who supplied memorandum on further conversation between Laval and Italian Ambassador in Paris, also gave account of conversation between unnamed diplomat and Laval to whom latter gave detailed <i>exposé</i> of programme for future policy towards Germany. | 426 | 849 |
| Nov. 27 | <i>The Ambassador in France to the Foreign Ministry</i> Reports that Paris correspondent of <i>Frankfurter Zeitung</i> , Sieburg, invited to call on Laval, and describes main points of ensuing conversation, which estimates to have been exceptionally important one. Topics included French foreign policy, pact with Russia, and armaments question. | 430 | 859 |
| Nov. 30 | <i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 415 and to Hitler's conversation with French Ambassador (see document No. 425) and reports information given him by Secretary General Léger about French Ambassador's <i>démarches</i> in Berlin. On Laval's instructions Léger stated that there was no connection between French Ambassador's <i>démarche</i> in Berlin and Minister President Laval's conversation with German Ambassador in Paris; Laval now desirous of receiving German views on his ideas through German Ambassador in Paris. | 435 | 866 |
| Dec. 3 | <i>The Foreign Minister to the Embassy in France</i> Refers to document No. 435 and states was expressly informed by French Ambassador that latter had been informed by Laval of conversation with German Ambassador in Paris, contrary to what now stated by French Secretary General Léger. Instructions to hold language in sense of document No. 425, should Laval revert to his suggestions. | 440 | 872 |
| Dec. 14 | <i>The Ambassador in France to the Foreign Ministry</i> Reports information from influential member of Cabinet as to latter's views on situation following upon Anglo-French proposals for settlement of Italo-Abyssinian dispute. | 461 | 915 |
| Dec. 18 | <i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 440 and reports conversation with Laval concerning German attitude to Franco-Soviet Pact; Laval's views on proposed Air Pact and Disarmament. | 467 | 925 |
| 1936 Jan. 13 | <i>Memorandum by the State Secretary</i> Records conversation with French Ambassador who repeated assurance that no agreements concluded with British against Germany and complained of German press campaign. Ambassador believed Germany seeking pretext for alleging violation of Locarno Treaty by France and Britain to justify German occupation of Rhineland. | 494 | 998 |

FRANCE—*continued*

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1936 Mar. 3 | <i>Memorandum by the Foreign Minister</i> Records interview between Führer and French Ambassador who called to express interest in Hitler's statements in press interview, and enquired what concrete proposals latter had in mind. [See also under <i>General Policy, Great Britain and Rhineland.</i>] | 604 | 1220 |

GENERAL POLICY

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 17 | <i>Foreign Minister Neurath to Reich Minister Hess</i> States considers negotiations with representatives of German national group in Poland, with object of unifying it, undesirable, and gives views on German minorities question in general. | 35 | 62 |
| Apr. 17 | <i>Editors' Note</i> Origins of, and resolution passed at, Eighty-Fifth (Extraordinary) Session of the Council of the League of Nations, held April 15-17, 1935. | | 65 |
| May 7 | <i>Circular of the State Secretary</i> States that attitude to be officially adopted to Russo-French Alliance of May 2 under consideration; possibility of <i>démarche</i> with other Locarno guarantors to protest at any unilateral interpretation of Locarno. | 72 | 131 |
| May 16 | <i>Memorandum by the Deputy Director of Department II</i> Records information obtained from Prussian Ministry of State concerning impending tour by Prussian Minister President Göring. This to comprise visits to Hungary, Yugoslavia, Greece and Bulgaria. | 91 | 162 |
| May 21 | <i>Editors' Note</i> Speech by Hitler to Reichstag on May 21. | | 171 |
| May 21 | <i>Editors' Note</i> Legislation concerning the German Armed Forces and defence of the Reich passed on May 21. | | 178 |
| May 25 | <i>The Foreign Minister to the Embassies in Great Britain, France and Italy, and to the Legation in Belgium</i> Instructions, to be acted upon only on receipt of special orders, to communicate enclosed Memorandum on German attitude to relationship of Franco-Russian Treaty to Rhine Pact of Locarno; comments upon contents of Memorandum. | 107 | 202 |
| July 27 | <i>The Foreign Minister to the Embassies in France, Great Britain and Italy, and to the Legation in Belgium</i> Instructions for oral declaration to be made to Governments to which accredited in response to replies received from them to German Government's Memorandum of May 25 (document No. 107) concerning compatibility of Franco-Soviet Pact with Treaty of Locarno. | 230 | 491 |

GENERAL POLICY—*continued*

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 July 30 | <i>State Secretary Bülow to Foreign Minister Neurath</i> Letter drawing attention to awkward situation for Germany resulting from vague and evasive attitude adopted in recent months towards various pact questions and analysing three possible alternative courses which German policy could pursue. | 234 | 505 |
| Aug. 5 | <i>Memorandum by the Director of Department II</i> Comments upon new draft of Danubian Pact and draws attention to desirability of speedy decision as to German attitude towards this project, bearing in mind its connection with Eastern Pact project also. | 249 | 538 |
| Aug. 7 | <i>Foreign Minister Neurath to State Secretary Bülow</i> Letter in reply to document No. 234; gives reasons why unable to advise Chancellor to make definite statement on German attitude to pact questions at this stage and requests instructions to Missions that no German statement to be expected before October. | 252 | 542 |
| Aug. 7 | <i>The Foreign Minister to the Führer and Chancellor</i> Letter referring to renewed British pressure to obtain statement of German views on question of Eastern and Danubian Pacts, recommending postponement of decision whilst awaiting outcome of Italo-Abyssinian dispute and League action thereon, and stating has issued instructions that no German expression of views to be expected before October. Encloses translation of chief principles to be included in projected Danubian Pact. | 253 | 543 |
| Aug. 10 | <i>State Secretary Bulow to State Secretary Funk (Ministry for Propaganda)</i> Letter requesting that German press be instructed to publish no information about German supplies to either party to the Italo-Abyssinian conflict, lest Germany appear to be departing from strict neutrality. | 261 | 557 |
| Aug. 19 | <i>Memorandum by the Deputy Head of Referat Deutschland</i> Comments upon disadvantages accruing to Germany in economic and political spheres from measures taken against Jews, and discusses question of whether international political situation makes desirable any revision of German policy towards Jews. | 266 | 565 |
| Aug. 21 | <i>Memorandum by the Deputy Head of Referat Deutschland</i> Records conference of Heads of Departments convened by Reich Ministry of Economics to consider economic repercussions of Germany's policy towards Jews; repercussions on foreign policy also discussed. | 268 | 568 |
| Aug. 29 | <i>Circular of the Foreign Ministry</i> Refers to visit to Foreign Ministry of League of Nations Commissioner for German Refugees, who discussed certain plans, and states German attitude on these questions. | 276 | 591 |
| Aug. 31 | <i>State Secretary Bülow to Foreign Minister Neurath</i> Letter, drawing attention to French and Italian <i>démarches</i> on Danubian Pact question (see document No. 277, under <i>France</i>), discussing reasons therefore and making proposals for possible statement by Hitler on subject of pacts. | 280 | 603 |

GENERAL POLICY—*continued*

| Date | Subject | Doc. No. | Page |
|----------|---|----------|------|
| 1935 | | | |
| Sept. 2 | <i>The Foreign Minister to the Führer and Chancellor</i> Letter, commenting upon recent Italian and French <i>démarches</i> on subject of Danubian Pact, recommending continuing to refrain from expression of German views, but proposing introduction into Hitler's forthcoming speech of general statement on subject of pacts. | 281 | 605 |
| Sept. 2 | <i>Foreign Minister Neurath to State Secretary Bülow</i> Letter in reply to document No. 280 and enclosing copy of document No. 281. | 282 | 606 |
| Sept. 3 | <i>Unsigned Memorandum</i> Instructions that preliminary investigation be made into question of what Germany should do in event of economic blockade being applied to Italy. Gives political considerations to be borne in mind when conducting investigation. | 283 | 607 |
| Sept. 4 | <i>Memorandum by an Official of Department VI</i> Refers to recent requests for greater financial aid addressed to Foreign Ministry by German communities in Poland and Czechoslovakia and reviews present position in respect of such aid. | 285 | 613 |
| Sept. 11 | <i>Memorandum by an Official of Department II</i> Notes impression created in League of Nations by speech of British Foreign Secretary, Hoare; vehement Italian disapproval, but Italian delegation did not withdraw. | 291 | 627 |
| Sept. 12 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports information from French delegation on Hoare-Laval conversations in Geneva; gives views of Polish delegate concerning French demands on Britain; comments upon probable course of events in Geneva following Hoare's speech. | 293 | 629 |
| Sept. 13 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports upon new basis for negotiations in Italo-Abys- sinian dispute created by Hoare-Laval-Aloisi conversations in Geneva. | 294 | 630 |
| Sept. 13 | <i>The Consul at Geneva to the Foreign Ministry</i> Refers to document No. 294 and comments upon speech by Laval; also reports information from Kánya concerning British and French pressure on Hungary to sign Danubian Pact with obligation of military assistance. | 295 | 631 |
| Sept. 30 | <i>Memorandum by an Official of Department II</i> Records oral communication from Foreign Department of War Ministry that camouflage of German armaments, so far obtaining, to cease on October 15, and attaches copy of communication whereby foreign Military Attachés informed of reorganization of German Army. | 315 | 672 |
| Oct. 5 | <i>Memorandum by an Official of the Foreign Minister's Secretariat</i> Records information from Papen that Hitler does not propose to deal with foreign policy in speech on October 6, and suggestions sent by Neurath to Hitler should latter wish to speak of German attitude to Italo-Abys- sinian conflict. | 333 | 703 |

GENERAL POLICY—continued

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Oct. 5 | <i>Note by a Deputy Director of Department II</i> Records information telephoned by Krauel as to proceedings of League Council in Italo-Abyssinian conflict; expectation that Assembly, at next meeting, will set up committee to work out sanctions procedure and that Germany, United States and Japan may be invited to participate. | 334 | 704 |
| Oct. 11 | <i>Memorandum by an Official of the Economic Department</i> Records information supplied him in confidence that Reich Minister Hess and General Haushofer shortly to undertake reorganization of Volksdeutsch Council, and that activities of VDA might be restricted to schools abroad. | 347 | 721 |
| Oct. 12 | <i>The Acting State Secretary to the Foreign and War Economy Departments of the Reich War Ministry, the Reich and Prussian Ministry of Economics and the Reich Finance Ministry</i> States Hitler has decided against issue of German declaration of neutrality in Italo-Abyssinian conflict, such as had been under discussion in recent departmental conference. | 351 | 727 |
| Oct. 18 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports conversation with member of League Secretariat concerning proposed procedure for enquiring of non-Member States as to attitude towards League sanctions resolutions. | 361 | 747 |
| Oct. 19 | <i>The Consul at Geneva to the Foreign Ministry</i> Continuation of document No. 361; reports further on conversation with member of League Secretariat and on views of U. S. Minister, and others, on enquiries to and attitude of States not members of League. | 364 | 753 |
| Oct. 28 | <i>Memorandum by the Director of Department III</i> Records discussion with State Secretary as to whether and how Germany should reply to communication from League of Nations concerning sanctions. | 382 | 777 |
| Nov. 2 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports conversation with Chairman of League Co-ordination Committee, Vasconcellos, concerning German attitude to sanctions question. | 389 | 785 |
| Nov. 6 | <i>Memorandum by the State Secretary</i> Records telephone conversation with German Consul at Geneva, Krauel, who had been asked by U.S. representative about official German statement on sanctions and raw materials affected thereby. Told Krauel official German statement impossible but authorized him to make certain statements to U.S. representative as private information. | 394 | 790 |
| Nov. 7 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports manner in which has acted on instructions given him (in document No. 394), and that information he supplied unofficially on German attitude has been conveyed to League Committee of Eighteen without an official German declaration being made. | 396 | 794 |

GENERAL POLICY—continued

| Date | Subject | Doc. No. | Page |
|----------------|--|----------|------|
| 1935 Nov. 7 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports that competent League Committee have taken note, without discussion, of information supplied as to proposed German measures for preventing vital products from being bought up and exported, and describes reactions of individual delegates. | 400 | 800 |
| 1936 Feb. 6 | <i>Circular of the State Secretary</i> Comments upon increased diplomatic activity in Danubian matters; Czechoslovak attempts to draw Austria into Little Entente and attitude of Austrian Government thereto; significance of Habsburg restoration issue; attitude of Yugoslav Government; Danubian topics believed discussed in Paris, following upon King's funeral in London; question of Rumano-Soviet Pact. | 542 | 1096 |
| Feb. 6 | <i>Circular of the Foreign Ministry</i> Comments upon significance attaching to Prague visit by Austrian Federal Chancellor, Schuschnigg, and to conversations held recently in Paris between French statesmen and various Heads of State and members of Governments from Danubian region. Considers that though new economic arrangements in Danubian region not likely to materialize in immediate future, situation should be carefully watched. | 543 | 1100 |
| Feb. 27 | <i>Circular of the Foreign Ministry</i> Refers to contents of documents Nos. 543, 558, 559 and 560 (see under <i>Yugoslavia, Czechoslovakia and Hungary</i> respectively), and transmits summary of replies made to German <i>démarches</i> in the various capitals. | 593 | 1204 |

GREAT BRITAIN

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Apr. 4 | <i>The Military and Air Attaché in Great Britain to the Foreign Ministry</i> Reports conversation with British Secretary of State for Air to whom he explained German reasons for fearing Russian threat from air, possibly based on Czech airfields; Lord Londonderry refused to express opinion as to whether Germany had more reason to fear Russian air attack than Britain German air rearmament. | 10 | 11 |
| [Apr. 5] | <i>Unsigned Draft</i> Draft for letter from Neurath to Simon concerning recent Simon-Eden conversations in Berlin. | 12 | 15 |
| Apr. 8 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Simon on details of recent Simon-Eden conversations in Berlin, forthcoming Stresa Conference, and Eastern Pact question. | 17 | 21 |
| Apr. 12 | <i>Memorandum by the Foreign Minister</i> Records substance of telegram from Stresa read out to him that morning by British Counsellor of Embassy, and ensuing conversation. | 24 | 44 |
| Apr. 12 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Prince of Wales. | 27 | 48 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|---------|--|----------|------|
| 1935 | | | |
| Apr. 13 | <i>Communiqué of the Official German News Agency</i> Statement of attitude of Reich Government to proposed Eastern Pact as communicated to British Foreign Secretary. | 29 | 51 |
| Apr. 16 | <i>Memorandum by the State Secretary</i> Records British Ambassador has communicated (attached) Note officially informing German Government of Italo-British declaration on Locarno Treaty, and subsequent conversation. | 33 | 59 |
| Apr. 17 | <i>Memorandum by the State Secretary</i> Records has informed British Ambassador that has been instructed by Hitler to state that Geneva draft resolution intended as further discrimination against Germany which would preclude her from returning to League of Nations, and subsequent conversation. | 37 | 67 |
| Apr. 25 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Gives account of British policy at Stresa and Geneva and of resultant situation. | 46 | 79 |
| Apr. 26 | <i>Memorandum by an Officer of the Naval Command</i> Records British Naval Attaché informed verbally, on April 25, of facts of German submarine construction, and subsequent conversation. | 52 | 89 |
| Apr. 27 | <i>Memorandum by an Officer of the Naval Command</i> Records conversation with British Naval Attaché in Berlin on April 26 concerning German submarine construction, proposed preliminary naval conversations, and recent article by British Prime Minister. | 54 | 91 |
| Apr. 29 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports on reactions of British press to announcement of German submarine construction. | 55 | 93 |
| Apr. 30 | <i>Memorandum by an Officer of the Naval Command</i> Records conversation with British Naval Attaché on April 29 concerning publication in British press of information on German submarine construction. | 58 | 97 |
| Apr. 30 | <i>Memorandum by an Officer of the Naval Command</i> Submits record of conversation that day between Chief of Naval Command and British Naval Attaché concerning announcement of German submarine construction. | 59 | 99 |
| May 1 | <i>The Naval Attaché in Great Britain to the Naval Command and the Foreign Ministry</i> Reports on reaction in Britain to German naval rearmament. | 60 | 100 |
| May 3 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on conversation with Simon, to whom complained about fresh anti-German agitation over German naval rearmament. | 66 | 118 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|--------|---|----------|------|
| 1935 | | | |
| May 4 | <p><i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Simon of whom he enquired what interpretation to be placed on Point 4 of Stresa resolution in respect of bilateral agreements; repeated German objections to bilateral agreements within proposed main Western European Five Power Air Pact. Simon stated British Government studying drafts for projected air pact received from other Powers and would welcome German draft.</p> | 68 | 125 |
| May 8 | <p><i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 68; instructions to inform Simon that Germany, though prepared to submit draft for Air Pact, would prefer to await clarification of question of relation of new Franco-Russian Pact to Locarno.</p> | 77 | 137 |
| May 8 | <p><i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has been informed by MacDonald that latter continues to desire that Germany join in international cooperation. Believes statements by MacDonald and other Ministers indicate decisive importance attached by British Government to forthcoming pronouncement by Hitler.</p> | 79 | 139 |
| May 10 | <p><i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Simon to whom he spoke as instructed concerning (1) date of Hitler's forthcoming speech, (2) position as to German possession of submarines, (3) German attitude to projected Air Pact. Hopes expressed by Simon concerning forthcoming pronouncement by Hitler.</p> | 82 | 144 |
| May 24 | <p><i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador who requested clarification of various points in Hitler's speech of May 21.</p> | 102 | 193 |
| May 25 | <p><i>The Foreign Minister to the Embassy in Great Britain</i> Sends instructions, to be acted upon only on receipt of special orders, to communicate to Simon, as previously requested by him, enclosed German draft for West European Air Treaty, and to give certain explanations orally.</p> | 106 | 198 |
| May 28 | <p><i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 106 and reports has carried out his instructions with Simon, who commented on various points of German draft. Has gained impression that public opinion exerting strong pressure on Government to hasten conclusion of Air Pact.</p> | 113 | 219 |
| May 29 | <p><i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 113, and states Simon has requested further explanation of statement that Germany had informed other Locarno Powers of communication of draft to Great Britain but had not furnished them with copies.</p> | 117 | 227 |
| May 31 | <p><i>Memorandum by the State Secretary</i> Records conversation with British Ambassador to whom he gave German reply to questions contained in document No. 102; attaches text of this oral reply.</p> | 122 | 235 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 June 6 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports statements made to Counsellor of Embassy by Wigram of Foreign Office concerning preliminary questions requiring settlement before Five Power conversations on projected Air Pact could start, in particular question of French attitude to certain issues. | 140 | 276 |
| June 13 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on first conversation with new British Foreign Secretary, Hoare; this confined merely to general statements, on familiar lines, on current problems. | 151 | 304 |
| June 14 | <i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 140, states that on question of communication of German draft for projected Air Pact to other Powers, initiative to be left to British Government, and sends instructions on replies to be made to questions by Simon reported in document No. 113, should British revert to matter. | 152 | 306 |
| June 19 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Prince of Wales about latter's pronouncement concerning British Legion representatives visiting Germany. Stresses importance of making British Legion visit successful. | 159 | 330 |
| June 24 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador concerning Anglo-German Naval Agreement, projected Eastern Pact, German attitude to Franco-Soviet Pact in relation to Locarno Treaty, communication of German draft for Air Pact to other Powers, and position over projected Danubian Pact. Question of German readiness to limit land armaments raised by Ambassador. | 167 | 348 |
| July 2 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Eden who described his recent conversations with Mussolini in Rome, when latter rejected British proposals for settlement of Italo-Abyssinian dispute. | 188 | 393 |
| July 2 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Eden immediately after latter's Commons statement of July 1 concerning projected Eastern, Danubian, and Western Air Pacts; Eden held favourable German attitude to Eastern Pact to be chief precondition for realization of Air Pact. | 189 | 396 |
| July 6 | <i>The Embassy in Great Britain to the Foreign Ministry</i> Transmits (attached) copy of British Note on question of how Franco-Russian Assistance Pact affects Treaty of Locarno. | 196 | 420 |
| July 9 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Sir R. Vansittart about action to be taken on German draft for Air Pact, about Air Pact question in general, and about proposed Eastern Pact. | 201 | 427 |
| July 15 | <i>Circular of the Foreign Minister</i> Instructs Missions on attitude to be adopted towards speech by British Foreign Secretary on July 11, 1935. | 207 | 446 |

GREAT BRITAIN—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 July 23 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 201 and reports that British reply on subject of forwarding German draft for Air Pact to French Government has been given him orally by Wigram. British Government believe that best method of procedure at present juncture would be for them to address questionnaire on various points to interested Powers in order jointly to establish basic principles before attempting to draft treaty. | 219 | 466 |
| July 24 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with British Foreign Secretary on current political questions, more particularly projected Air Pact and Eastern Pact, German views on proposed Danubian Pact, and disappointment over Foreign Secretary's speech of July 11. | 221 | 471 |
| July 30 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 221 and reports that in conversations with Wigram it has emerged that Foreign Office have been basing themselves on inaccurate text of German statement communicated to British in Berlin on April 13. Describes action taken to correct this misunderstanding. | 236 | 510 |
| Aug. 1 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to previous instructions and reports conversation with British Foreign Secretary who again stressed earnest desire that Germany adopt positive attitude to Eastern Pact, discussed Air Pact project and Franco-German disagreement over admissibility of bilateral pacts, and requested that Germany abandon demand that all bilateral pacts be excluded on principle in order that Air Pact negotiations be more quickly begun. | 243 | 524 |
| Aug. 5 | <i>Memorandum by the State Secretary</i> Records conversation with British Chargé d'Affaires who, on instructions, made <i>démarche</i> on Eastern Pact question and left (attached) <i>aide-mémoire</i> . Chargé stressed British accusation that German Government wished to free themselves from "undertaking" of April 13. | 248 | 535 |
| Aug. 9 | <i>Ministerialdirektor Meyer to Ambassador Hoesch</i> Letter inviting Ambassador's views on importance of Eastern Pact to German-British relations and enquiring whether Britain's interest in achieving an Air Pact sufficiently great to induce her to accept commitments under an Eastern Pact. | 259 | 553 |
| Aug. 15 | <i>Ambassador Hoesch to Ministerialdirektor Meyer</i> Letter in reply to document No. 259; stresses decisive importance to Germany of good relations with Britain at present juncture and comments upon British attitude to various questions under discussion. | 262 | 557 |
| Aug. 16 | <i>Foreign Minister Neurath to State Secretary Bülow</i> Letter stating that, in course of British attempts to dissuade Mussolini from his present military designs, idea of using Portuguese colonies as compensation has attracted attention. Discusses desirability of pointing out in London that Germany too has colonial desiderata in respect of removing injustices of Versailles Treaty. | 263 | 561 |

GREAT BRITAIN—continued

| Date | Subject | Doc. No. | Page |
|------------|---|----------|------|
| 1935 | | | |
| Aug. 23 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Transmits memorandum by a confidant on conversation with Lloyd George after latter had been consulted by Hoare and Eden about Abyssinian crisis. | 270 | 573 |
| Aug. 29 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Discusses British attitude to Italo-Abyssinian conflict on eve of League Council meeting on September 4, and transmits information from an informant with good contacts in official circles. | 278 | 598 |
| Sept. 16 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports conversations with members of Foreign Office on subject of Germany's attitude to future developments in Italo-Abyssinian conflict. | 298 | 635 |
| [Sept. 16] | <i>The Military Attaché in Great Britain to the Reich War Ministry (Copy to the Foreign Ministry)</i> Reports information from confidential source on foreign policy position in Italo-Abyssinian conflict and gives own view on situation. | 299 | 636 |
| Sept. 26 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports on conversation with Head of Foreign Office Press Department Leeper on general political situation and British policy in respect of Italo-Abyssinian dispute. Leeper also described British attitude to Germany as "cool". | 304 | 650 |
| Sept. 30 | <i>Circular of the Foreign Minister</i> Instructs as to German view of British reply to France with regard to Article 16 of League of Nations Covenant. | 313 | 670 |
| Oct. 1 | <i>The Foreign Minister to the Embassies in Italy and Great Britain</i> States that, according to reliable secret information, message sent by British Foreign Secretary to Mussolini contained concrete assurance that Britain would not consider either applying military sanctions or closing Suez Canal. | 317 | 674 |
| Oct. 2 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Refers to document No. 317 and suggests reasons which may have caused British Foreign Secretary to send message to Mussolini in terms described. | 321 | 680 |
| Oct. 4 | <i>Minute by an Official of the Foreign Minister's Secretariat</i> Telephone message from Foreign Minister that should British Ambassador enquire as to German participation in sanctions, reply should be that Germany will maintain neutrality in Italo-Abyssinian conflict. | 327 | 696 |
| Oct. 7 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports conversation with Wigram at Foreign Office about various political problems, including Italo-Abyssinian conflict and possibilities of drawing Western Great Powers closer to one another. | 336 | 706 |
| Oct. 10 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports conversation with member of Foreign Office about possible German action in response to League resolution to apply sanctions against Italy. | 343 | 716 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| Oct. 17 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on his own conversations with Hoare and Vansittart and on Bismarck's conversations with Craigie and Norton on subject of British policy in Italo-Abyssinian dispute. | 355 | 733 |
| Oct. 19 | <i>Circular of the State Secretary</i> Refers to document No. 355 and sends instructions to induce representatives of German press to refrain from uncritically supporting British contention that British policy dictated principally by interests of League. | 365 | 756 |
| Oct. 21 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Vansittart respecting French reply to British enquiry concerning naval assistance, and prospects for solution of Italo-Abyssinian conflict. | 370 | 763 |
| Oct. 23 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador regarding latter's Note of October 19 concerning British view of effect on Locarno Treaty of German withdrawal from League. | 376 | 770 |
| Oct. 25 | <i>Circular of the Foreign Ministry</i> Informs of assessment made by German Ambassador in London of speech by British Foreign Secretary on October 22. Speech not regarded as representing material change in British policy. | 379 | 773 |
| Nov. 8 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reviews, on basis of impressions derived from conversations with Vansittart and others, what situation in respect of Italo-Abyssinian conflict appears to be at present. | 404 | 806 |
| Nov. 20 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with British Foreign Secretary as to present state of affairs in Italo-Abyssinian conflict: enquiry by Hoare as to prospects of improved relations between Germany and France. | 421 | 838 |
| Dec. 12 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to Hoare-Laval proposals for settlement of Italo-Abyssinian dispute and comments upon British reasons for taking such action. | 458 | 904 |
| Dec. 13 | <i>Minutes of the Conference of Ministers held at the Reich Chancellery on December 13, 1935, at 4:15 p.m.</i> Account by Hitler of his conversation with British Ambassador, who came to resume conversation on limitation of armaments, and stated that his Government desired to give substance to German suggestion for Air Pact between Germany, Britain and France as preparation for more general limitation of armaments. | 460 | 913 |
| Dec. 14 | <i>Memorandum by the Foreign Minister</i> Records Hitler's conversation with British Ambassador who instructed to ascertain German attitude to Joint Anglo-French Declaration of February 3, 1935; British Government anxious to learn direct whether Germany willing to agree to Air Pact and general limitation of armaments even if individual signatories to proposed conventions contracted separate treaties amongst themselves. | 462 | 917 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|-------------------|--|----------|------|
| 1935 Dec. 16 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 458 and describes difficulties encountered by British Government in consequence of Hoare-Laval proposals for settlement of Italo-Abyssinian dispute. | 465 | 921 |
| 1936 Jan. 6 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports first official conversation with Eden as British Foreign Secretary; reply by Eden on question of Anglo-French talks on defence matters; discussion of projected Air Pact and views expressed by Hitler to British Ambassador as representing possible new departure in German foreign policy. | 484 | 972 |
| Jan. 14 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador who expressed his Government's regret that Germany declined discussions on projected Air Pact because of Franco-Russian Pact. Explained to Ambassador that Hitler's remarks related to agreement on limitation of air forces which was materially affected by existence of Franco-Russian Pact. | 496 | 1002 |
| Jan. 17 | <i>Memorandum by the Foreign Minister</i> Records conversation with British Ambassador who reverted to conversation recorded in document No. 496 and again asked whether Germany opposed to bilateral agreements amongst Locarno Powers within framework of proposed five-Power talks. | 501 | 1008 |
| Jan. 21 | <i>The Ambassador in the United States to the Foreign Ministry</i> Reports views allegedly expressed to American journalists by member of State Department concerning possible modification of British foreign policy in consequence of accession of new King. | 507 | 1016 |
| Jan. 21 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Comments upon personality of late King George V and upon that of his successor Edward VIII. | 510 | 1022 |
| Jan. 27 | <i>Memorandum by the Foreign Minister</i> Records conversation in London with British Foreign Secretary: Enquiry by Eden as to German attitude to Air Pact question; ratification of Franco-Russian Pact, British attitude to Italy, Locarno Pact and Anglo-French conversations also discussed. | 523 | 1038 |
| Jan. 30 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports that, being unable to understand remarks on conclusion of bilateral agreements made by British Ambassador to Hitler (see document No. 462), has attempted to clarify matter in two conversations with Wigram of Foreign Office. Encloses (1) memorandum he gave Wigram on course of negotiations on Air Pact with reference to question of bilateral agreements, and (2) Foreign Office memorandum given him by Wigram which formed basis of instructions to British Ambassador in Berlin. | 529 | 1052 |
| [January 1936] | <i>Unsigned Memorandum</i> Account of conversations with a number of British and foreign personages during recent visit to England. | 531 | 1061 |

GREAT BRITAIN—*continued*

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1936 | | | |
| Feb. 4 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Wigram on various outstanding European questions; referred to many conversations in London, on occasion of King's funeral, between British representatives and foreign personalities and to reports of far-reaching negotiations between same persons and French Government in Paris. Question of possible Habsburg restoration, Russian policy, and consideration by British Cabinet of means for stabilizing conditions in Europe also discussed. | 538 | 1087 |
| Feb. 13 | <i>Counsellor of Embassy Bismarck to Ministerialdirektor Dieckhoff</i> Letter enclosing account of conversation with Wigram at Foreign Office about political situation: On complaining to Wigram of recent deterioration in tone of British press towards Germany, which led to conclusion that Britain bent on anti-German policy, was assured by latter that British Cabinet pursuing exactly opposite policy and Foreign Office preparing project for "working agreement" between three Western Powers, Britain, Germany and France. | 562 | 1135 |
| Feb. 14 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports conversation with well informed diplomatic colleague on recent improvement in Anglo-Russian relations. British concern at German rearmament and growing unfriendliness of British attitude to Germany. | 563 | 1139 |
| Feb. 15 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Refers to document No. 562 and reports conversation in Foreign Office with Parliamentary Under Secretary who repeated declaration that British Government attached special importance to friendly relations with Germany. | 568 | 1147 |
| Feb. 25 | <i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 568 and instructs Ambassador personally to sound British Foreign Secretary unobtrusively concerning a more concrete idea of a "working agreement". | 583 | 1186 |
| Feb. 27 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 583 and reports has made unobtrusive enquiries of Foreign Secretary who stated he was not yet in position to make definite proposals for bringing about closer collaboration between Germany, Britain and France. [See also under <i>General Policy, Italy, and Naval Negotiations.</i>] | 594 | 1207 |

GREECE

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Sept. 5 | <i>The Chargé d'Affaires in Greece to the Foreign Ministry</i> Transmits information obtained by reliable confidant from Greek Navy Minister on alleged British enquiries of Greece concerning latter's attitude in event of Italo-British war. | 286 | 617 |

GREECE—continued

| Date | Subject | Doc. No. | Page |
|------------------|--|----------|------|
| 1935 Sept. 30 | <i>The Chargé d'Affaires in Greece to the Foreign Ministry</i> Reports has been requested by Finance Minister to enquire about possibilities of purchasing war material from Germany without following procedure of inviting tenders. | 312 | 669 |
| Oct. 21 | <i>An Official of Department II to the Legation in Greece</i> States position as regards meeting Greek requests for supply of war material from Germany. | 369 | 762 |
| Dec. 12 | <i>The Minister in Greece to the Foreign Ministry</i> Reports conversation with King George concerning German-Greek relations and question of Greece obtaining supplies of war material from Germany. | 459 | 908 |
| 1936 Feb. 4 | <i>Counsellor Kordt (Theo.) to Counsellor Schmieden</i> Letter describing vicissitudes to which proposed armaments transaction with Greece has recently been subjected. | 539 | 1089 |

HUNGARY

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Apr. 17 | <i>Unsigned Memorandum</i> Records Minister Mackensen considers reply should be made to Hungarian Minister President's letter to Hitler of February 14, 1934 (Vol. II, document No. 252) and proposes tenor of reply and subsequent methods of procedure. | 38 | 68 |
| June 6 | <i>Memorandum by an Official of Department VI</i> Recalls that Hungarian Minister President's letter to Hitler still unanswered; suggests that, since Hungarians have themselves proposed discussion on minorities question between experts, this should be accepted, and considers best method of initiating such discussions. | 139 | 274 |
| June 12 | <i>Minister Mackensen to Foreign Minister Neurath</i> Letter describing his activities in matter of Masirevich (Hungarian Minister in Berlin); has supported representations made by Göring to Regent Horthy and Minister President Gömbös and also insisted with M.F.A. Kánya on necessity of recall of Masirevich. | 146 | 291 |
| June 27 | <i>The Foreign Minister to the Minister in Hungary</i> States that no reply to Hungarian Minister President's letter to Hitler expected at present, but considers it desirable to take up with Hungarian Government suggestion made by Hungarian State Secretary for Minorities that German and Hungarian experts might exchange views on minorities questions. | 178 | 370 |
| July 15 | <i>Minute by the Director of the Economic Department</i> Records repeated enquiries from Ministry of Economics on direct instructions from Schacht whether Foreign Ministry still attach political importance to continuing special economic concessions to Hungary. Has obtained views of State Secretary who opposes taking any unfriendly action towards Hungary at present juncture. | 209 | 451 |

HUNGARY—continued

| Date | Subject | Doc. No. | Page |
|------------|---|----------|------|
| 1935 | | | |
| July 27 | <i>The Legation in Hungary to the Foreign Ministry</i> Transmits Memorandum from Hungarian Foreign Ministry concerning desirability of holding preliminary conversations between German and Hungarian experts on questions of minorities. | 233 | 502 |
| Aug. 20 | <i>The State Secretary to the Legation in Hungary</i> Refers to document No. 233 and states points requiring clarification in advance of any German-Hungarian discussions on minorities. | 267 | 567 |
| Aug. 27 | <i>The Minister in Hungary to the Foreign Ministry</i> Refers to document No. 267 and states that Hungarian Government unreservedly share German views. | 274 | 586 |
| Sept. 6 | <i>Unsigned Memorandum</i> Reports conversation in Geneva with unnamed Hungarian statesman with whom is well acquainted. Latter had information from Rome as to Mussolini's views on Italo-Abyssinian question, commented upon possibilities of a Franco-British <i>rapprochement</i> , and discussed attitude of his own country to Danubian Pact and to relations with Yugoslavia and Austria. | 288 | 620 |
| [Sept. 27] | <i>Unsigned Memorandum</i> In advance of discussions between Hungarian Minister President and Hitler, reviews Hungarian position on current international issues and questions affecting Hungarian-German relations. | 307 | 657 |
| Sept. 28 | <i>Reich Minister Schacht to State Secretary Lammers</i> Letter stating has learned of possibility that, during Gömbös visit to Hitler, transaction for supply of arms by Germany to Hungary may be discussed, and enclosing Pro Memoria on subject from economic aspect. | 310 | 663 |
| Sept. 29 | <i>Memorandum by the Foreign Minister</i> Records questions discussed by Hungarian Minister President during his visit: views on relations with Yugoslavia and Italy, on German-Austrian relations and Habsburg question, and on Danubian Pact project. | 311 | 667 |
| Sept. 30 | <i>Memorandum by the Foreign Minister</i> Records conversation with Gömbös, after latter's visit to Hitler, on subject of minorities question and Hungarian attitude thereto. | 314 | 671 |
| Sept. 30 | <i>Minute by the Acting Reich and Prussian Minister of Economics</i> Records agreement reached during visit of Hungarian Minister President with regard to carrying out proposed military industrial contracts. | 316 | 673 |
| Oct. 1 | <i>Circular of the Acting State Secretary</i> Instructs as to what language to hold on visit of Gömbös to Berlin; visit had no special political object; speculation abroad linking it with State Secretary Milch's visit to Budapest is without foundation. | 318 | 675 |

HUNGARY—continued

| Date | Subject | Doc. No. | Page |
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| 1935 | | | |
| Oct. 4 | <i>Memorandum by an Official of the Foreign Minister's Secretariat</i> Records information from reliable source concerning conversation Hungarian Minister President had, during his Berlin visit, with Italian Ambassador there. | 328 | 696 |
| Oct. 7 | <i>The Minister in Hungary to the Foreign Ministry</i> Transmits memorandum from reliable confidant of account given by Hungarian Minister President Gömbös to Hungarian Cabinet of impressions brought back from his recent visit to Germany. | 337 | 708 |
| Oct. 10 | <i>The Minister in Hungary to the Foreign Ministry</i> Refers to document No. 337 and reports conversation with Minister President Gömbös about latter's recent visit to Berlin. | 344 | 717 |
| Oct. 11 | <i>Minister Mackensen to Foreign Minister Neurath</i> Letter giving account, supplied in private conversation by Gömbös, of latter's experiences during recent visit to Berlin. | 348 | 721 |
| Oct. 19 | <i>The Minister in Hungary to the Foreign Ministry</i> Reports conversation with Hungarian M.F.A. on subject of Anglo-Italian relations; latter described recent conversation with British Chargé d'Affaires, and inclined to attribute no great prospects to Laval's attempts at mediation. | 367 | 758 |
| Oct. 25 | <i>Memorandum by an Official of Department II</i> States has informed German Minister in Budapest of certain inaccuracies in document No. 337. Latter has obtained detailed account of Gömbös' conversation with Hitler from Göring, who was present, and drew attention to further inaccuracies in Hungarian version. | 380 | 774 |
| Nov. 4 | <i>The Director of Department II to the Legation in Hungary</i> Refers to conversation held by Mackensen in Foreign Ministry on October 24 and informs that War Ministry also of opinion that Hungarian arms transaction long term and must be treated with great caution. | 391 | 787 |
| Nov. 21 | <i>The Minister in Hungary to the Foreign Ministry</i> Describes system for supplying financial aid from Reich to German minority in Hungary, full details of which have now come to knowledge of Hungarian Government, and draws attention to adverse effect on German-Hungarian relations which must result. Makes recommendations for thorough reorganization and new approach. | 424 | 842 |
| 1936 | | | |
| Jan. 30 | <i>The Foreign Ministry to the Legation in Hungary</i> Describes discussions held in Berlin with Hungarian State Secretary Pataky on subject of minorities. | 527 | 1046 |
| Feb. 8 | <i>Memorandum by a Deputy Director of Department II</i> Records conversation with Hungarian Minister who communicated statement on his Government's attitude to negotiations on problems of Central Europe. Minister also promised to discuss in Budapest question of <i>détente</i> in Yugoslav-Hungarian relations. | 550 | 1116 |

HUNGARY—continued

| Date | Subject | Doc. No. | Page |
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| 1936 | | | |
| Feb. 13 | <i>The State Secretary to the Legation in Hungary</i> Encloses copies of documents Nos. 558 and 559 (see under <i>Yugoslavia</i> and <i>Czechoslovakia</i> respectively), and sends instructions that German attitude to these questions to be discussed in friendly fashion with Minister President and M.F.A. at earliest opportunity. | 560 | 1182 |
| Feb. 21 | <i>Memorandum by the State Secretary</i> Records conversation with Hungarian Minister, who confirmed impending visit of Austrian Chancellor and M.F.A. to Budapest on March 13, mentioned later visit from Polish Minister President, and stated Göring furnished with list of Hungarian grievances against Yugoslavia for use during latter's forthcoming visit to Belgrade. | 576 | 1166 |
| Feb. 28 | <i>Memorandum by the Foreign Minister</i> Records conversation with Hungarian Minister, who had been officially instructed to enquire whether Germany had any wishes to express for forthcoming conversations between Gömbös, Schuschnigg and Mussolini. | 597 | 1210 |

ITALY

| Date | Subject | Doc. No. | Page |
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| 1935 | | | |
| Apr. 1 | <i>Ambassador Hassell to Foreign Minister Neurath</i> Letter commenting on possibilities of preventing Italy from aligning herself completely with France, especially at forthcoming Stresa Conference, and requesting instructions which would permit of personal approach to Mussolini. | 5 | 3 |
| Apr. 4 | <i>Foreign Minister Neurath to Ambassador Hassell</i> Letter replying to document No. 5, and conveying what can be said to Mussolini about German policy. | 9 | 8 |
| Apr. 17 | <i>Memorandum by the State Secretary</i> Records conversation with Italian Ambassador concerning deliberations of Council of League of Nations in progress at Geneva. | 36 | 66 |
| [Undated] | <i>Memorandum by the Ambassador in Italy</i> Reviews German-Italian relations from end of 1932 to beginning of 1935. | 61 | 102 |
| May 2 | <i>Memorandum by the Foreign Minister</i> Records conversation with Italian Ambassador concerning Austrian question, proposed Rome conference, and request from Mussolini that Germany adopt as reserved an attitude as possible to Italo-Abyssinian conflict. | 63 | 113 |
| May 7 | <i>The Director of Department II to the Embassy in Italy</i> Instructions that German attitude to international situation will probably be subject of special announcement later; reserve should therefore be maintained in possible conversation with Mussolini but permissible to state Germany holds Italy primarily responsible for League resolution and to hint that question of compatibility of Franco-Russian Pact with Locarno being studied in Berlin. | 71 | 130 |

ITALY—continued

| Date | Subject | Doc. No. | Page |
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| 1935 | | | |
| May 10 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich concerning projected Danubian Conference and Danubian Pact; latter's account of subjects discussed at Venice meeting between Austria, Hungary and Italy. | 81 | 142 |
| May 14 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini concerning attitude of other Powers to Italian dispute with Abyssinia especially on subject of arms deliveries, on Italian attitude towards projected Danubian conference and Pact, and on Italian views on definition of non-intervention in respect of Austria. | 87 | 152 |
| May 26 | <i>The Embassy in Italy to the Foreign Ministry</i> Report by Air Attaché of remarks by Mussolini expressing appreciation of German prohibition of deliveries of aircraft to Abyssinia and hope that gradual and systematic <i>rapprochement</i> between Germany and Italy might come about. | 109 | 209 |
| May 30 | <i>The Ambassador in Italy to the Foreign Ministry</i> Comments on recent signs of increasing tendency towards improving relations with Germany and suggests possibilities of exploiting present Italian mood to breach ring of Germany's opponents. | 120 | 280 |
| May 31 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini concerning Hitler's speech of May 21 in relation to Austria; Mussolini's views on projected Danubian and Eastern Pacts, Franco-Soviet Pact and Locarno, and proposed Air Pact; German attitude in Abyssinian question also discussed. | 121 | 232 |
| June 1 | <i>The State Secretary to the State Secretary in the Reich Ministry for Public Enlightenment and Propaganda</i> States that Italian Ambassador has made renewed representations concerning failure of section of German press to observe Italo-German press truce; recalls Hitler's orders on subject and requests compliance. | 124 | 238 |
| June 21 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich concerning Italian attitude to Anglo-German Naval Agreement, topics for forthcoming visit by Eden to Rome, activities of other Powers in connection with possible Rumano-Russian pact, and Italian attitude to projected Danubian Pact. | 162 | 334 |
| June 21 | <i>The Ambassador in Italy to the Foreign Ministry</i> Comments upon Italian foreign policy, which considers to be completely dominated by Abyssinian question; puts forward views of well informed confidant concerning three lines along which an Italo-German agreement might be evolved, and advocates taking advantage of every opportunity to obtain friendly relations with Italy. | 164 | 337 |
| June 24 | <i>Foreign Minister Neurath to Ambassador Hassell</i> Letter replying to and commenting upon document No. 164. | 166 | 347 |
| June 28 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports information supplied by Suvich and British Embassy concerning conversations held with Eden during latter's visit to Rome. | 183 | 379 |

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| Date | Subject | Doc. No. | Page |
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| 1935 July 5 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 164, submits further comments upon current Italian attitude and, with object of preventing Franco-Italian front from becoming firmly established, seeks authority to make use of opening afforded by Anglo-German Naval Agreement to make Italy feel Germany is taking account of Italy and desires cooperation. | 194 | 417 |
| July 9 | <i>The Foreign Minister to the Embassy in Italy</i> Refers to document No. 194, agrees to subject of Anglo-German Naval Agreement being raised with Italian Government, and gives instructions on language to be held. | 199 | 424 |
| July 10 | <i>Ambassador Hassell to Ministerialdirektor Köpke</i> Letter replying to document No. 197 (see under <i>Austria</i>) and enclosing memorandum dealing with certain points raised by Neurath in document No. 166. | 202 | 429 |
| July 15 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 199 and reports conversation with Mussolini on Anglo-German Naval Agreement, on Italian policy towards France, on Habsburg question, and on Abyssinia. | 206 | 443 |
| July 15 | <i>The Ambassador in Italy to the Foreign Ministry</i> Transmits official Italian Memorandum on attitude of Italian Government to Franco-Soviet Treaty of Alliance in relation to Locarno Treaty. | 210 | 452 |
| Aug. 3 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini concerning Italo-Abyssinian dispute and action taken by League of Nations. Italian attitude to Danubian Pact also discussed. | 246 | 532 |
| Aug. 19 | <i>Memorandum by the State Secretary</i> Records first call paid on him by new Italian Ambassador. Attolico made no mention of question of presentation of his credentials nor of his alleged desire to attend Party Rally. | 265 | 563 |
| Sept. 28 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich on Italo-Abyssinian dispute and German attitude to this; remonstrated with Suvich over Italian conduct in respect of Memel question. | 308 | 661 |
| Oct. 3 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini on October 2 after opening of Fascist General Rally; comments on Italian attitude over Abyssinian question and Hoare's alleged message to Mussolini. | 322 | 684 |
| Oct. 3 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 322 and describes atmosphere prevailing in Italy at present stage of Abyssinian dispute. | 323 | 687 |
| Oct. 3 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports on Fascist General Rally on October 2 and on Mussolini's speech. | 324 | 691 |

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| Date | Subject | Doc. No. | Page |
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| 1935 Oct. 3 | <i>Ambassador Hassell to Foreign Minister Neurath</i> Letter referring to documents Nos. 308 and 322 and requesting that latter document be also submitted to Hitler, who, during previous conversation in Munich, had displayed lively interest in the whole matter. | 325 | 692 |
| Oct. 4 | <i>Memorandum by the Acting State Secretary</i> Records conversation with Italian Ambassador who supplied information on contents of personal message sent Mussolini by British Foreign Secretary, and stated Rome convinced military sanctions would not materialize. Discussion of how German neutrality to be interpreted, and its effect on problem of Italian coal supplies. | 326 | 693 |
| Oct. 4 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports has learned that Mussolini's promise not to regard economic sanctions as <i>casus belli</i> due to Laval who promised every effort to avoid military sanctions. Nevertheless Mussolini appears not to consider war with Britain excluded. | 329 | 697 |
| Oct. 12 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports representations made to Suvich in respect of Italian bombing of Addis Ababa and Dire-dawa; in ensuing conversation Suvich stated Italy still ready to negotiate and indicated possible terms. | 350 | 726 |
| Oct. 12 | <i>Memorandum by the Foreign Minister</i> Records conversation with Italian Ambassador who enquired as to Germany's interpretation of neutrality in Abyssinian conflict; gave Ambassador personal view that Italy would do well to liquidate Abyssinian undertaking promptly by means of suitable compromise. | 352 | 728 |
| Oct. 17 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports on Italian view of situation and on conversation with Aloisi who convinced that if economic sanctions proved ineffective Britain would resort to blockade; latter also stated that press reports of proposals by Laval inaccurate. | 354 | 732 |
| Oct. 17 | <i>The Ambassador in Italy to the Foreign Ministry</i> Discusses possible advantages and disadvantages arising for Germany from Italo-Abyssinian conflict. | 360 | 744 |
| Oct. 19 | <i>Memorandum by the State Secretary</i> Records conversation with Italian Ambassador who discussed Abyssinian conflict and took optimistic view of possibility of <i>détente</i> in Anglo-Italian relations. Ambassador also relatively optimistic with regard to conflict between Italy and League of Nations. | 366 | 757 |
| Oct. 21 | <i>Ambassador Attolico to Foreign Minister Neurath</i> Letter referring to his previous proposal that Germany state publicly her conception of neutrality and suggesting time for this has now come. Also encloses communication received from Rome containing report from Italian Ambassador in London of remarks attributed to Baldwin about British attitude to dictatorships. | 371 | 764 |
| Oct. 21 | <i>Minute by an Official of the Reich Chancellery</i> Records has informed Foreign Ministry of Hitler's views on question of German coal exports to Italy. | 372 | 765 |

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| Date | Subject | Doc. No. | Page |
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| 1935 | | | |
| Oct. 22 | <i>Memorandum by an Official of Department II</i> Describes course and outcome of Franco-Italian General Staff talks which took place before start of Abyssinian campaign. | 373 | 765 |
| Oct. 23 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich who gave information on situation between Britain and Italy in respect of mutual withdrawal of military measures. | 375 | 768 |
| Nov. 2 | <i>Memorandum by the Foreign Minister</i> Records conversation with Italian Ambassador, whose attention he drew to persistent rumours that Italian Delegation in Geneva continuing to represent Germany as greatest danger to world peace, and stressed importance of establishing truth or otherwise of such rumours. | 388 | 784 |
| Nov. 7 | <i>Memorandum by the State Secretary</i> Records conversation with Italian Ambassador, to whom he explained, on basis of documents Nos. 394 and 396 (see under <i>General Policy</i>), recent events in Geneva with regard to sanctions and German attitude thereto. | 397 | 796 |
| Nov. 7 | <i>The State Secretary to the Embassy in Italy</i> Refers to British and French press reports about statements attributed to German Consul at Geneva concerning Germany's attitude to sanctions and gives account of real truth of matter. | 398 | 798 |
| Nov. 7 | <i>Memorandum by the Director of Department III</i> Records telephone message from German Embassy in Rome concerning Mussolini's reaction to alleged <i>démarche</i> by German Consul at Geneva on German attitude to sanctions; action taken by Ambassador to explain real position. | 399 | 799 |
| Nov. 14 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 406 (see under <i>Economic Policy</i>) and reports has conveyed to Suvich information contained therein. Has also again explained matter of statements attributed to German Consul at Geneva. | 410 | 816 |
| Nov. 14 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports further on conversation with Suvich, who denied statements about nostalgia for Stresa attributed to him in press reports, described reasons for Italian Note of November 11 to Sanctions Powers, and gave account of recent conversation between Mussolini and British Ambassador in Rome. | 411 | 817 |
| Nov. 16 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini, to whom he explained German attitude to Italo-Abyssinian dispute, and complained of certain Italian utterances on subject of Germany and Stresa front. Mussolini's views on Stresa, on diminished value of Locarno Treaty, on possible Mediterranean pact, and on recent discussions with Britain. | 414 | 821 |

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| 1935 | | | |
| Dec. 2 | <i>Memorandum by the State Secretary</i> Records information from Italian Ambassador that latter has made personal communication to Mussolini criticizing Italian Note to Sanctions Powers. Ambassador had received information indicating that, at start of conflict, France made benevolent attitude towards Italy dependent on Italy's remaining within collective system. | 437 | 869 |
| Dec. 2 | <i>Memorandum by the State Secretary</i> Records has been informed, at instance of Schacht, of impending "Italian transaction" involving Reichsmark credit for Italy in return for deposit of Italian securities. | 438 | 869 |
| Dec. 3 | <i>Memorandum by the State Secretary</i> Records telephone conversation with Schacht concerning Foreign Ministry's attitude to Italian credit transaction; took exception to form of transaction as liable to lead to British remonstrances. | 441 | 874 |
| Dec. 12 | <i>Memorandum by an Official of Department II</i> Records conversation with First Secretary of Italian Embassy, Magistrati, on subject of Anglo-French [Hoare-Laval] proposals for settlement of Italo-Abyssinian dispute. | 457 | 903 |
| Dec. 14 | <i>Memorandum by the State Secretary</i> Records conversation with Italian Ambassador, whom he informed of German views on latest development in Italo-Abyssinian conflict, and, briefly, of latest conversation between Hitler and British Ambassador. | 463 | 920 |
| Dec. 14 | <i>Memorandum by the State Secretary</i> Records conversation with Italian Ambassador who sought further information on German view of compatibility of Franco-Soviet Pact with Locarno; Ambassador stated in confidence his Government at one time considering denunciation of Locarno. | 464 | 920 |
| Dec. 19 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich concerning resignation of British Foreign Secretary, Hoare, and Italian attitude to Anglo-French proposals for settlement of Italo-Abyssinian dispute. | 469 | 927 |
| Dec. 20 | <i>Editors' Note</i> Italo-German negotiations on economic and financial questions, with German Note concerning application of export embargos. | | 930 |
| 1936 | | | |
| Jan. 2 | <i>The Ambassador in Italy to the Foreign Ministry</i> Discusses Italy's political and economic situation at turn of year; considers Italy's relations with France and Britain to be predominant question in Italian foreign policy. | 480 | 957 |
| Jan. 7 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports that, before leaving for Berlin, had conversation with Mussolini who reviewed whole political situation and wished his views reported orally to Hitler; proposal by Mussolini that Germany conclude with Austria treaty of friendship with non-aggression pact. | 485 | 974 |

ITALY—continued

| Date | Subject | Doc. No. | Page |
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| 1936 | | | |
| Jan. 7 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 485 and reports points from subsequent conversations with Ciano and Attolico concerning Austria. | 486 | 977 |
| Jan. 15 | <i>Counsellor of Legation Allenburg to Captain Heimbürg, Reich War Ministry</i> Letter enclosing copy of document No. 485, and stating that, on Hitler's instructions, Mussolini's proposals in respect of Austria not to be taken up for time being. | 497 | 1004 |
| Jan. 16 | <i>Memorandum by the Foreign Minister</i> Records conversation with Italian Ambassador who again enquired as to conversation between Hitler and British Ambassador on December 13, and referred to reports by Italian Ambassador in London that military alliance existed between Britain and France. Attolico also enquired whether Germany intended returning to League from which Mussolini considering withdrawal. | 498 | 1005 |
| Jan. 20 | <i>Memorandum by the Ambassador in Italy</i> Records that on January 17 he reported to Hitler on political situation in Italy, and gave résumé of his latest conversation with Mussolini in Rome and of conversation with Italian Ambassador in Berlin. Hitler's review of political position; decision to continue policy of benevolent neutrality towards Italy and see whether in respect of Austria Italy would make good her words with deeds. | 506 | 1013 |
| Jan. 23 | <i>Senior Counsellor Renthe-Fink to Ambassador Hassell</i> Letter stating has learned from reliable source that Russians have confidentially informed Prague that Germany and Italy exchanging views over Austria, and that Russians claim to derive their information from Italian Ambassador in Berlin. | 513 | 1027 |
| Jan. 25 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich; latter's views on negotiations in Geneva concerning sanctions; discussion of Anglo-French conversations and agreements and their probable scope. | 519 | 1034 |
| Jan. 28 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini to whom he spoke in sense of document No. 506, part II. Mussolini approved statement and promised to send appropriate instructions to Vienna. Conversation further dealt with Britain's activities in League of Nations and in eastern Mediterranean and with course of Italo-Abyssinian conflict. | 525 | 1042 |
| Jan. 31 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports on political situation in Italy, where detects greater feeling of optimism; has also remarked growing criticism of Mussolini, even within Fascist circles. Encloses report from German Consul General at Naples describing conversation with Balbo, who spoke with exceptional frankness. | 532 | 1072 |
| Feb. 6 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reviews course of German-Italian relations in respect of Austrian question and analyses factors which may have caused Mussolini to write off previous Austrian policy. | 545 | 1107 |

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| Date | Subject | Doc. No. | Page |
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| 1936 Feb. 12 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Aloisi, who enquired what attitude, in view of Locarno Treaty, Germany would adopt to ratification of Russo-French Pact, and stated Italy not at present intending to denounce Locarno. Discussion of Italian attitude to Danubian Pact project and possible revival of Stresa front; Aloisi's views on probable developments in Italo-Abyssinian dispute. | 553 | 1120 |
| Feb. 17 | <i>The Foreign Minister to the Embassy in Italy</i> States has now been informed by Italian Government of Suvich meeting with Austrian M.F.A. but not of Starhemberg meeting with Mussolini. Instructs Ambassador to inform Mussolini of German expectation that on occasion of these Austrian visits latter should make plain his policy concerning German-Austrian relations. | 569 | 1149 |
| Feb. 20 | <i>Unsigned Memorandum</i> Records two conversations with confidant of Rome Embassy concerning message to be conveyed to Ambassador, before latter's departure for Berlin, about Mussolini's attitude to a German denunciation of Locarno Pact. | 574 | 1159 |
| Feb. 21 | <i>Memorandum by the Ambassador in Italy</i> Record of conversations on February 19 in Berlin with (1) Italian Ambassador concerning Italian attitude to Locarno Treaty; (2) Neurath and Hitler concerning latter's intention of using French ratification of Franco-Soviet Pact as occasion for reoccupying Rhineland zone and possibility of sounding Mussolini as to whether willing to act with Germany over denunciation of Locarno. | 575 | 1163 |
| Feb. 22 | <i>Editors' Note</i> Draft for confidential statements to Mussolini on Hitler's views concerning Locarno Treaties. | | 1170 |
| Feb. 22 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports confidential interview with Mussolini based on recent conversations with Führer in Munich and Berlin. | 579 | 1172 |
| Feb. 26 | <i>The Ambassador in Italy to the Foreign Ministry</i> Reports information obtained from Italian Foreign Ministry concerning reasons for publishing in <i>Giornale d'Italia</i> confidential British report on British interests in Abyssinia. | 590 | 1200 |
| Feb. 26 | <i>Memorandum by the Ambassador in Italy</i> Records conversation with Suvich, whom requested to revise latter's memorandum of conversation with Mussolini (recorded in document No. 579). | 592 | 1202 |
| Feb. 28 | <i>The Ambassador in Italy to the Foreign Ministry</i> Discusses likely Italian attitude in event of German denunciation of Locarno; believes has detected evidence of greater caution since his last conversation with Mussolini. | 598 | 1211 |
| Mar. 3 | <i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 598 and states that Suvich has now given him copy of memorandum on conversation with Mussolini, containing all desired alterations. [See also under <i>Austria, General Policy, Great Britain, and Rhineland.</i>] | 603 | 1219 |

NAVAL NEGOTIATIONS

| Date | Subject | Doc. No. | Page |
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| 1935 Apr. 9 | <i>Memorandum by the Foreign Minister</i> States that, during recent Simon-Eden conversations in Berlin, Britain had invited Germany to take part in preliminary naval conversations, and had stated would welcome German participation in Naval Conference, to which, however, Britain could not herself issue invitations. Records arrangements made with British Ambassador regarding preliminary naval conversations. | 19 | 28 |
| Apr. 12 | <i>Memorandum by an Officer of the Naval Command</i> Records conversation held that day with British Naval Attaché, whom informed of German Navy's construction programme. | 25 | 45 |
| Apr. 26 | <i>Note by the State Secretary</i> Records instructions from Hitler to tell British Ambassador, in reply to British invitation to send delegation to London at beginning of May for naval conversations, that German Government propose to make foreign policy statement in second week of May, and therefore request that naval conversations be postponed until after statement has been made. | 50 | 86 |
| Apr. 26 | <i>The Reichswehr Minister to the Foreign Ministry</i> Transmits record of conversation between Chief of Naval Command and British Naval Attaché in Berlin concerning proposed preliminary naval conversations. | 51 | 86 |
| May 7 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Craigie, Head of American Department of Foreign Office, who is to play important part in forthcoming Anglo-German naval conversations, concerning conduct of these conversations. | 74 | 132 |
| May 23 | <i>Unsigned Memorandum</i> Directives on attitude to be adopted on various questions in forthcoming preliminary naval conversations in London. | 100 | 189 |
| May 24 | <i>Ambassador Phipps to Foreign Minister Neurath</i> Letter stating that his Government anxious to start naval conversations and enquiring when German representatives could proceed to London. | 104 | 195 |
| May 28 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation between his Counsellor of Embassy, Bismarck, and Craigie of Foreign Office concerning programme for forthcoming Anglo-German naval negotiations in London. | 114 | 221 |
| | <i>Editors' Note</i> Documentation on Anglo-German Naval negotiations. | | 250 |
| [June 4] | <i>Unsigned Memorandum</i> Record of opening meeting of Anglo-German naval conversations in London; statement by Ribbentrop of German conditions. | 131 | 253 |
| [June 4] | <i>Unsigned Memorandum</i> Record of second meeting in Anglo-German naval conversations; agenda for discussions attached. | 132 | 262 |

NAVAL NEGOTIATIONS—*continued*

| Date | Subject | Doc. No. | Page |
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| 1935 [June 5] | <i>Unsigned Memorandum</i> Record of private meeting between Craigie and Ribbentrop to discuss memorandum from British Admiralty to British Government concerning conditions laid down by Germany for continuance of conversations. | 185 | 269 |
| [June 5] | <i>Unsigned Minute</i> Record of discussion at Admiralty concerning acceptance of British claim for tonnage by categories. | 186 | 271 |
| [June 5] | <i>Unsigned Memorandum</i> Record of discussion held at German Embassy concerning German agreement to application of 35 per cent to categories and concerning transfers. Drafts for statements on agreements reached attached. | 187 | 272 |
| [June 6] | <i>Unsigned Memorandum</i> Record of meeting at Admiralty. Statement by Simon on British decision to accept German proposal of ratio of 100:35, and on agreement to adopt limitation by categories. Statement of agreement reached attached. | 141 | 277 |
| June 12 | <i>Memorandum by the Chief of the Group for Naval Conferences</i> States decision required on two points for Anglo-German naval negotiations: (1) concerning presentation of claim for parity in submarine tonnage, (2) concerning most advantageous method of calculating German tonnage by categories. | 148 | 295 |
| [June 17] | <i>Unsigned Memorandum</i> Record of discussion in London on drafts for Anglo-German exchange of Notes. German objection to British draft as insufficiently indicating final British acceptance of German condition that ratio of 35 per cent be not dependent on attitude of other Powers. | 154 | 311 |
| June 18 | <i>Unsigned Memorandum</i> Anglo-German naval conversations: Draft notes of the Seventh Meeting between U.K. and German representatives, at which formal exchange of Notes (attached) took place. | 156 | 319 |
| June 20 | <i>Memorandum by the Naval Attaché in Great Britain</i> Reports conversation with Capt. Danckwerts who stated British Admiralty had strongly advocated new course which had led to Anglo-German Agreement on 35 per cent ratio, but who envisaged British Government refusing to conclude further agreement if German side persisted with building tempo as indicated by them to British delegation. | 161 | 332 |
| June 23 | <i>Unsigned Memorandum</i> Anglo-German naval conversations: Draft text of "Summary of Discussions between the British and German Naval Representatives" concerning matters agreed upon supplementary to general agreement of June 18. | 165 | 339 |
| June 26 | <i>The Naval High Command to the Naval Attaché in Great Britain</i> Instructions as to German view of points raised in Anglo-German naval conversations. | 176 | 366 |
| June 26 | <i>The Naval Attaché in Great Britain to the Commander in Chief of the Navy and Ambassador Ribbentrop</i> Reports action taken on instructions contained in document No. 176. | 177 | 368 |

NAVAL NEGOTIATIONS—*continued*

| Date | Subject | Doc. No. | Page |
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| 1935 | | | |
| June 27 | <i>Memorandum by an Official of Department II</i> Submits text of "Summary of Discussions" (document No. 165), together with (enclosed) introductory note and describes position so far reached in Anglo-German naval conversations. | 181 | 373 |
| June 27 | <i>The Naval Attaché in Great Britain to the Commander in Chief of the Navy and Ambassador Ribbentrop</i> With reference to Anglo-German naval conversations, reports conversation with Craigie, who stated British in process of entering into naval discussions with French and gave him (attached) <i>aide-mémoire</i> of British proposals concerning communicating German naval construction programme to French Government. | 182 | 376 |
| July 1 | <i>The Naval Attaché in Great Britain to the Commander in Chief of the Navy and the Foreign Ministry</i> Reports that, as instructed, has furnished Foreign Office and Admiralty with reply to document No. 182, enclosure; has learned that French Ambassador has called at Foreign Office to discuss matters of principle concerning forthcoming Naval Conference. | 187 | 392 |
| July 4 | <i>The Naval Attaché in Great Britain to the Commander in Chief of the Navy and the Foreign Ministry</i> Comments upon contents of British "Memorandum explanatory of the points left for future discussion after the Anglo-German Naval Conversations" (attached). | 193 | 411 |
| Aug. 26 | <i>The Commander in Chief of the Navy to the Foreign Ministry</i> Transmits text of German reply to British Admiralty's Memorandum of July 4, 1935 (document No. 193, enclosure). | 273 | 581 |
| [Aug. 28] | <i>Unsigned Memorandum</i> Comments upon Anglo-German Naval Agreement, its satisfactory nature for German Navy and its advantages in political sphere. | 275 | 587 |
| Oct. 22 | <i>British Assistant Under-Secretary of State Craigie to Counsellor of Embassy Bismarck</i> Letter stating that H.M.G. have decided to summon conference of Washington and London Naval Treaty Powers for December 2 and explaining purpose of conference. | 374 | 767 |
| Dec. 9 | <i>Editors' Note</i> The London Naval Conference of December 9, 1935, to March 25, 1936. | | 895 |
| 1936 | | | |
| Feb. 12 | <i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports conversation held by Naval Attaché and himself with Craigie who furnished information on results so far achieved in London Naval Conference, and desired to learn German Government's views on manner in which prepared to accede to proposed naval treaty. | 555 | 1123 |
| Feb. 25 | <i>Memorandum by Ministerialdirektor Dieckhoff</i> Comments upon reply to be made to British Government concerning question posed in document No. 555. | 584 | 1187 |
| Feb. 25 | <i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 555 and transmits terms of reply to be made to British Government. | 585 | 1188 |

NAVAL NEGOTIATIONS—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1936 Feb. 26 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 585 and reports conversation in Foreign Office at which British stated not possible to obtain French agreement to previous proposal for concluding Naval Agreement and suggested instead procedure by which Britain should conclude bilateral treaties with Germany and with Russia. | 589 | 1198 |
| Feb. 28 | <i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 589 and sends instructions to inform British Government that German Government ready in principle to open negotiations for bilateral German-British naval agreement. | 596 | 1209 |
| Feb. 28 | <i>The Embassy in Great Britain to the Foreign Ministry</i> Refers to document No. 589 and reports conversation with Craigie who called, in private capacity, to express urgent hope that German Government would accept British proposal for conclusion of bilateral agreement. | 599 | 1214 |
| Feb. 28 | <i>The Naval Attaché in Great Britain to the Commander in Chief of the Navy and the Foreign Ministry</i> Reports information from U.S. delegation to London Naval Conference as to probable American attitude should negotiations for general treaty fail; comments upon Italian and French attitudes and upon tactical advantages for Germany deriving from way Naval Conference has developed. | 600 | 1215 |
| Feb. 29 | <i>The Embassy in Great Britain to the Foreign Ministry</i> Refers to document No. 596 and reports has carried out instructions with Foreign Secretary. | 601 | 1217 |
| Mar. 2 | <i>Memorandum by Ministerialdirektor Dieckhoff</i> Record of telephone conversation with Bismarek in London, who enquired how Hitler's instructions that naval questions be dealt with only by Ribbentrop and Naval Command should be treated when Ribbentrop absent. | 602 | 1218 |
| Mar. 4 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with First Lord of Admiralty and his advisers concerning points raised over projected bilateral naval agreement. [See also under <i>Great Britain.</i>] | 605 | 1221 |

POLAND AND DANZIG

| Date | Subject | Doc. No. | Page |
|----------------|--|----------|------|
| 1935 Apr. 1 | <i>Memorandum by the Foreign Minister</i> Records conversation with President of Danzig Senate Greiser, who complained of conduct of League High Commissioner in reporting unfavourably on Greiser to Geneva. Has advised latter not to embark on public quarrel on this subject. | 4 | 3 |

POLAND AND DANZIG—continued

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| Apr. 3 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports conversation with Szembek, who gave account of Eden's conversations in Warsaw. | 8 | 7 |
| Apr. 5 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports conversation with Polish M.F.A. about Eden visit, forthcoming Laval visit and other matters. | 11 | 12 |
| Apr. 13 | <i>Memorandum by the Director of Department IV</i> Records has learned from Ambassador Moltke that Polish M.F.A. had enquired whether reported German agreement to supplementary arrangements on optional mutual assistance correct. Has told Polish Ambassador German Government had not changed position on Eastern Pact question. | 28 | 50 |
| Apr. 15 | <i>Memorandum by the Director of Department IV</i> Records conversation with Polish Ambassador, who, on instructions of Polish M.F.A., asked (1) whether the German Government had as yet any definite views as to participants in pact proposed by them; (2) whether Simon had made statement as to participants in pact as outlined by Hitler; (3) whether British would be able to state that Germany considered participants in original Eastern Pact could be same as those in proposed pact. | 30 | 53 |
| Apr. 19 | <i>Ambassador Moltke to Ministerialdirektor Meyer</i> Letter commenting on conduct of Polish M.F.A. in speaking and voting on French resolution at extraordinary meeting of League Council. | 41 | 72 |
| Apr. 25 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports on speech and vote of Polish M.F.A. at Geneva. | 49 | 84 |
| Apr. 27 | <i>Memorandum by the Deputy Director of the Economic Department</i> Extract from record of meeting of Commercial Policy Committee on April 26: Discussion of German desiderata to be put forward during proposed German-Polish negotiations on settlement of trade balance. | 53 | 90 |
| May 2 | <i>Memorandum by the Director of Department IV</i> Records meeting between representatives of Reichsbank, Foreign Ministry and Danzig to discuss devaluation of gulden; President of Reichsbank Schacht refused all further allocations of foreign exchange to support Danzig economy. | 65 | 116 |
| May 7 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports conversation with Polish M.F.A. concerning latter's attitude to Franco-Soviet Pact and possibilities of revival of Eastern Pact project. Subject of Beck's recent speech and vote at Geneva also discussed. | 75 | 133 |
| May 9 | <i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter enclosing confidential memorandum on conversation with League High Commissioner, in which latter discussed political situation in Danzig and forecast probable course of discussion of Danzig issues by Council of League at next session. | 80 | 139 |

POLAND AND DANZIG—continued

| Date | Subject | Doc. No | Page |
|----------------|---|---------|------|
| 1935 May 13 | <i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter enclosing memorandum of conversation with Danzig Gauleiter Forster who, following unsatisfactory outcome of recent elections, proposed to destroy opposition parties. Warns of dangers implicit in such course. | 86 | 150 |
| May 14 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports on Laval's visit to Warsaw May 10-12 and what has learned of course of political negotiations. Believes French efforts to reassure Poles regarding Franco-Soviet Pact successful, but Beck resisted French pressure to accept collective security pact involving mutual aid; chief results, removal of Franco-Polish differences and Polish success in achieving recognition of right to conduct independent policy based on Poland's special interests. | 88 | 155 |
| May 16 | <i>Memorandum by the Foreign Minister</i> Records information furnished by Polish Ambassador concerning recent conversations between Beck and Laval in Warsaw. | 90 | 162 |
| May 16 | <i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter enclosing highly confidential report on conversation between Polish Diplomatic Representative Papée and President of Danzig Senate Greiser on linking Danzig gulden to Polish zloty. Considers Papée's proposals foreshadow introduction of zloty as currency for Danzig. | 92 | 165 |
| May 21 | <i>The Prussian Minister President to the Foreign Minister</i> Transmits record of conference on Danzig attended by himself, Neurath, Krosigk, Frick, Schacht, State Secretary Backe and, for Danzig, Greiser and Forster. | 97 | 179 |
| May 21 | <i>The Embassy in Poland to the Foreign Ministry</i> Reports on visit of Marshal Göring to attend funeral of Marshal Pilsudski; considers visit very successful and states what has learned from Göring of latter's conversation with Beck. | 98 | 184 |
| May 24 | <i>Memorandum by the Director of Department IV</i> Records conversation with Reich Finance Minister concerning gravity of position in Danzig; repeated proposal that a financial and economic dictator be appointed for Danzig and some allocation of foreign exchange be made available through retrenchments elsewhere. | 103 | 194 |
| May 28 | <i>Memorandum by the Director of Department IV</i> Reports has discussed with Reich War Minister, General von Blomberg, critical position of Danzig and proposals for meeting this. Latter considered it essential that Danzig remain in German hands and proposed immediate high-level conference, including Führer's Deputy. | 112 | 218 |
| May 28 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports conversation with Beck, who spoke appreciatively of Göring's visit, provided information on his own conversation with Laval (notably Polish objections to "regional" pact system based on French proposed list of signatories including Czechoslovakia), and complained of latter's Pact with USSR and unfriendly conduct towards Poland. | 115 | 223 |

POLAND AND DANZIG—*continued*

| Date | Subject | Doc. No. | Page |
|------------------|--|----------|------|
| 1935 [May 31] | <i>Memorandum by the Director of Department IV</i> Record of high-level conference held to discuss future of Danzig. Decision to recommend to Führer appointment of financial dictator for Danzig and to submit question of allocating foreign exchange to him for decision. | 123 | 237 |
| June 3 | <i>The State Secretary to the Reich Finance Minister</i> Communicates decisions taken at conference between Hitler, Neurath and Blomberg respecting aid for Danzig; German financial expert to be sent there immediately, and all possible economic support afforded including foreign exchange allocation. | 126 | 240 |
| June 4 | <i>The Foreign Minister to the Führer and Chancellor</i> Proposes means of providing German financial expert with full authority to deal with economic crisis in Danzig without risking charge of German interference in affairs of independent sovereign State. | 130 | 249 |
| June 5 | <i>The Consul General in Danzig to the Foreign Ministry</i> Reports Polish Diplomatic Representative has again approached President of Danzig Senate with proposals for currency unification. | 133 | 267 |
| June 5 | <i>Memorandum by the Director of Department IV</i> Records conference held by State Secretary with recently appointed German financial adviser to Danzig, Helferich, and representatives of Bank of Danzig, Reichsbank and Reich Finance Ministry on measures to remedy economic crisis in Danzig: decision on introduction of exchange control and on notifying League High Commissioner and Polish authorities of this. | 134 | 267 |
| June 7 | <i>Memorandum by the Director of Department IV</i> Records conversation with Polish Ambassador who expressed his Government's gratitude for condolences on occasion of death of Pilsudski and indicated that Polish M.F.A. Beck would be prepared to pay official visit to Berlin. | 142 | 281 |
| June 8 | <i>Memorandum by the Director of Department IV</i> Records information from President of Bank of Danzig that Polish Diplomatic Representative has conveyed his Government's desire to assist Danzig in currency question and are prepared to consider sympathetically any proposals for linking gulden with zloty. | 143 | 282 |
| June 13 | <i>Memorandum by the Director of Department IV</i> Records information supplied by Reichsbank President Schacht of visit paid him by Polish Ambassador to discuss possibilities of Polish economic aid for Danzig; Schacht replied could merely transmit proposals to President of Danzig Bank. | 149 | 296 |
| June 13 | <i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter enclosing memorandum by President of Danzig Senate Greiser giving account of conferences with Hitler on June 6 and 8, and of policy now laid down for Danzig by Hitler after consultations with Reich Ministers concerned. | 150 | 298 |

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 June 19 | <i>Memorandum by the Director of Department IV</i> Records has been informed by State Secretary of Prussian Ministry of State of conversation between Lipski and Göring concerning Polish desire to assist Danzig and of instructions by Göring to Danzig representatives to negotiate with Poles in friendly spirit and on no account break off negotiations. In reply drew attention to Danzig complaints of excessive Polish demands. | 158 | 329 |
| July 3 | <i>Unsigned Memorandum</i> Record of conversation between Hitler and Polish M.F.A. in Berlin. German and Polish views of Eastern Pact project, disapproval of multilateral systems, threats to peace in Eastern Europe arising from policy of Lithuania, Russia, Czechoslovakia; French vacillations; prospects for Air Convention and Danubian Pact, position of Little Entente; significance of Franco-Soviet and Czechoslovak-Soviet Pacts, dangers of Russian penetration of Eastern Europe. Advantages of German-Polish agreement. | 190 | 398 |
| July 4 | <i>Memorandum by the State Secretary</i> States that Polish M.F.A., on visit to Berlin, raised question of outstanding German payments for Corridor railway dues, now running at dangerously high level. Recommends further representations to Schacht, failing which appeal to Hitler appears called for. | 192 | 410 |
| July 11 | <i>Acting Minister of Economics Schacht to Foreign Minister Neurath</i> Letter giving reasons why Germany unable to transfer in full to Poland her obligations arising from transit traffic through Corridor, and for insisting on inclusion of these German debts in agreement on exchange of goods now under negotiation. | 204 | 437 |
| [July 22] | <i>Memorandum by the Director of Department IV</i> States that by decree of July 21 Polish Government have forbidden Danzig Customs Administration to give customs clearance to imports other than those destined for internal consumption within Danzig territory. | 214 | 456 |
| July 22 | <i>Memorandum by the Director of Department IV</i> Records telephone conversation with President of Reichsbank Schacht concerning disastrous effect on Danzig of latest Polish customs decree and preliminary counter measures agreed upon with President of Danzig Senate. | 215 | 457 |
| July 23 | <i>State Secretary Bülow to Foreign Minister Neurath</i> Letter enclosing communication setting out questions to be decided in economic negotiations with Poland, which Neurath might send to Hitler. Enclosure reviews course of negotiations and stresses importance of not permitting political relations to become impaired by friction over economic questions. | 217 | 459 |
| July 25 | <i>Memorandum by Ambassador Molke</i> Records conversation held in Warsaw on July 24 with Polish M.F.A. concerning Danzig questions; has prevailed upon Beck to agree to resumption of Polish-Danzig negotiations concerning customs disputes. | 224 | 476 |

POLAND AND DANZIG—*continued*

| Date | Subject | Doc. No. | Page |
|---------|---|----------|------|
| 1935 | | | |
| July 26 | <i>Memorandum by the Director of Department IV</i> Records has been informed by President of Senate Greiser that Polish Diplomatic Representative wishes to reopen Polish-Danzig negotiations. Requests approval for certain directives which it is proposed to give Greiser. | 226 | 483 |
| July 26 | <i>Memorandum by the Director of Department IV</i> Records has transmitted views of Foreign Ministry concerning resumption of Danzig-Polish negotiations to President of Senate Greiser. Latter, who objected to these views and opposed resumption of negotiations, was proposing to telephone to Berchtesgaden direct. | 227 | 484 |
| Aug. 1 | <i>Memorandum by an Official of Department IV</i> Record of conference on Danzig questions held by State Secretary Bülow, and other Foreign Ministry officials, with President of Senate Greiser, and other Danzig representatives, to discuss policy to be followed over Danzig negotiations with Poland. | 240 | 518 |
| Aug. 2 | <i>Memorandum by the State Secretary</i> Records conversation with Polish Ambassador concerning Danzig question. Latter complained that, despite goodwill shown by Polish M.F.A., Danzig had issued decree concerning duty-free imports in contradiction to all treaties and created new situation. Ambassador had instructions from Polish M.F.A. to draw attention to extreme gravity of situation. | 244 | 527 |
| Aug. 2 | <i>The Foreign Minister to the Führer and Chancellor</i> Letter enclosing a copy of document No. 244, and drawing attention to critical turn taken by Danzig-Polish dispute. Advises against raising Danzig question at present time in view of harmful effect on German-Polish relations and recommends impressing upon Danzigers that they take no precipitate action without first obtaining approval of German Government. | 245 | 530 |
| Aug. 4 | <i>Memorandum by the Director of Department IV</i> Records telephone conversation with President of Danzig Senate Greiser, who had been telephoned by Göring from Berchtesgaden and reproached for refusal to negotiate with Poles. Has advised Greiser to renew offer to negotiate. | 247 | 534 |
| Aug. 6 | <i>Minute by the President of the Danzig Senate</i> Records discussion in Berlin with Minister President Göring at which Gauleiter Forster also present. Danzig question discussed. | 250 | 540 |
| Aug. 6 | <i>Memorandum by the State Secretary</i> Records interview on Danzig question with Minister President Göring, Schacht also present. Information supplied by Göring of his having taken Polish Ambassador Lipski to visit Hitler and of agreement now reached on solution of Danzig-Polish dispute. | 251 | 541 |
| Aug. 7 | <i>Memorandum by the Director of Department IV</i> Records State Secretary informed, at instance of Minister President Göring, that President of Danzig Senate Greiser has reached agreement with Poles on all points, except payment of customs dues in zloty. On instructions, has ascertained that President of Reichsbank Schacht agrees to meeting Polish wishes on this point. | 254 | 546 |

POLAND AND DANZIG—*continued*

| Date | Subject | Doc. No. | Page |
|----------|--|----------|------|
| 1935 | | | |
| Aug. 8 | <i>Memorandum by the Director of Department IV</i> Records telephone message from Danzig giving information on progress made in Polish-Danzig negotiations. | 256 | 550 |
| Aug. 8 | <i>Memorandum by the Director of Department IV</i> Records telephone message from Danzig that President of Danzig Senate Greiser now invited to visit Polish M.F.A. Negotiations with Poles have reached stage of drawing up protocol which will provide for Danzig's cancelling measures taken on or after August 1 and Poland's rescinding decree of July 18. | 257 | 551 |
| Aug. 8 | <i>Minute by the President of the Danzig Senate</i> Records conversation with Polish M.F.A. on Danzig-Polish dispute, at which latter stressed Polish desire to remain on friendly terms with Danzig and promised assistance in any future difficulties also. | 258 | 552 |
| Aug. 26 | <i>State Secretary Bülow to Foreign Minister Neurath</i> Letter referring to document No. 217 and stating that Polish-German economic negotiations have reached stage where decision is required on four outstanding questions. Considers it impossible to reach solution unless Reich Ministry of Economics changes its negative attitude. Enquires as to possibility of obtaining decision from Hitler or of enlisting aid of Göring. | 271 | 577 |
| Aug. 26 | <i>Memorandum by a Deputy Director of Department IV</i> Summarizes report on state of Danzig finances made to Reich Minister of Finance by German expert Helferich and retrenchment measures therein proposed; in view of budgetary deficit, transfer of Reichsmark to Danzig still required. | 272 | 579 |
| Sept. 19 | <i>Memorandum by an Official of the Economic Department</i> Records conversation between Schacht and Polish official, at which Ministerialdirektor Wohlthat present, on subject of German-Polish payments. | 301 | 639 |
| Sept. 23 | <i>Memorandum by the Foreign Minister</i> Records conversation with Polish Ambassador about lack of success so far in German-Polish negotiations for trade treaty and question of payments for Corridor railway transit traffic. | 302 | 640 |
| Oct. 17 | <i>Memorandum by the Foreign Minister</i> Records decisions taken at high-level conference on various questions relating to Danzig. | 358 | 742 |
| Nov. 4 | <i>The Embassy in Poland to the Foreign Ministry</i> Reports progress in economic negotiations with Poland sufficiently advanced for signature of Treaty to take place. | 390 | 786 |
| Nov. 4 | <i>Memorandum by the Foreign Minister</i> Records conversation with Polish Ambassador, who represented in forcible terms difficulties which Germany's debt for Corridor railway transit traffic was creating for Polish Government. Promised to submit Ambassador's proposals for payment to Schacht. | 392 | 788 |

POLAND AND DANZIG—*continued*

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Nov. 13 | <i>Foreign Minister Neurath to President of the Reichsbank Schacht</i> Letter stating that Polish Ambassador has again made serious representations on question of transfer of German debts owing for Corridor railway transit traffic, and outlining Polish proposals for settlement. Stresses effect on political relations of payments question and states Hitler has ordered speedy settlement, which will require inter-departmental discussion. | 409 | 815 |
| Nov. 30 | <i>Memorandum by the Foreign Minister</i> Records has informed Polish Ambassador, in reply to latter's request for payment of German debts incurred through Corridor railway transit traffic, that Germany unfortunately not able to make transfers of currency to settle railway debt. | 436 | 868 |
| Dec. 3 | <i>Memorandum by the Consul General in Danzig</i> Reports conversation with League High Commissioner Lester, who objected most strongly to statement on behalf of Danzig Government made by President of Senate Greiser on November 27. Comments on acrimonious relations between High Commissioner and Senate, for which believes High Commissioner himself chiefly responsible. | 442 | 874 |
| Dec. 3 | <i>Memorandum by the Consul General in Danzig</i> Refers to document No. 442, and reports conversation with President of Danzig Senate Greiser about latter's Government statement of November 27. Greiser claimed had been instructed by Gauleiter Forster to adopt sharper tone towards League of Nations. | 443 | 876 |
| Dec. 11 | <i>Memorandum by the Foreign Minister</i> Records conversation with League High Commissioner in Danzig, Lester, who complained of conduct of Danzig Government and Gauleiter Forster, latter claiming to be acting with approval of Hitler. | 454 | 900 |
| Dec. 11 | <i>The Ambassador in Poland to the Foreign Ministry</i> Reports conversation with M.F.A. on subject of German payments outstanding for Corridor railway transit traffic. Beck regretted failure to solve question by diplomatic methods and assumed Polish railways administration would now take measures to safeguard own interests. | 455 | 901 |
| Dec. 18 | <i>Memorandum by the Foreign Minister</i> Records conversation on situation in Danzig with Minister President Göring, whom he informed that for Gauleiter Forster to be appointed Oberpräsident of East Prussia would impose intolerable strain on German-Polish relations. | 468 | 926 |
| Dec. 19 | <i>Memorandum by the Foreign Minister</i> Records reception of Polish Ambassador by Hitler, who expressed his thanks for Ambassador's help in development of German-Polish relations; promise by Hitler to attend to matter of German payments to Polish railways for Corridor traffic. | 470 | 939 |
| Dec. 21 | <i>Consul General Radowitz to Senior Counsellor Roediger</i> Letter describing conversation with League High Commissioner in Danzig on latter's return from Geneva; Lester's views on possible League action. | 473 | 933 |

POLAND AND DANZIG—continued

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Dec. 24 | <i>Senior Counsellor Roediger to Ambassador Moltke</i> Letter enclosing minute of course of action agreed upon by Hitler and Schacht in question of German debts to Poland arising from Corridor railway transit traffic. | 474 | 935 |
| 1936 Jan. 11 | <i>The Consul at Geneva to the Foreign Ministry</i> Reports conversation with member of League Secretariat dealing with Danzig concerning President of Danzig Senate Greiser's report, due for discussion by League Council, and position of League High Commissioner in Danzig, Lester. | 492 | 994 |
| Jan. 16 | <i>Minute by an Official of the Danzig Senate</i> Records consultations held by himself and President of Danzig Senate Greiser with Hitler, Ribbentrop and Neurath, at which measures agreed upon to avert League of Nations imposing its will upon Danzig. Action to be taken by Neurath with British Ambassador, by German press and by Ribbentrop. | 499 | 1006 |
| Jan. 17 | <i>Memorandum by the Foreign Minister</i> Records has informed British Ambassador that League of Nations High Commissioner in Danzig does not appear equal to his task. | 500 | 1007 |
| Jan. 21 | <i>Memorandum by the Foreign Minister</i> Reports conversation with Polish Ambassador, who had been instructed to draw attention to awkward position in which Polish M.F.A. placed by complaints from Danzig opposition parties and League High Commissioner's report now before League Council. | 509 | 1021 |
| Jan. 25 | <i>Memorandum by the Foreign Minister</i> Records conversation with Polish M.F.A., who described recent experiences at Geneva with regard to Danzig question and his own activities in matter. | 520 | 1036 |
| Jan. 25 | <i>Memorandum by the Foreign Minister</i> Records conversation with Polish M.F.A., who urgently requested, in interests of German-Polish political relations, initiation of negotiations on settlement of German debt for Corridor railway transit traffic. | 521 | 1037 |
| Jan. 27 | <i>Memorandum by the Foreign Minister</i> Records conversation in London with British Foreign Secretary concerning Danzig. Complained to Eden of latter's treatment of question at recent League Council meeting in Geneva. | 522 | 1037 |
| Jan. 30 | <i>Memorandum by the State Secretary</i> Records conversation with Polish Ambassador to whom he handed (annexed) memorandum protesting at Polish Minister of Transport's threat to cut German railway transit traffic through Corridor by over 50 per cent owing to failure to settle German indebtedness to Polish railways. | 528 | 1049 |
| Feb. 4 | <i>Memorandum by the Foreign Minister</i> Records conversation with Polish Ambassador, who brought Polish reply to German proposals for settlement of question of German debts incurred over Corridor railway transit traffic; Polish Government did not consider proposals satisfactory. | 537 | 1087 |

POLAND AND DANZIG—continued

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1936 Feb. 6 | <i>Consul General Radowitz to Senior Counsellor Roediger</i> Comments upon recent speeches by President of Danzig Senate Greiser and Gauleiter Forster. Considers latter's attack on League High Commissioner undesirable and recommends supporting Greiser, who has given proof of political ability. | 546 | 1111 |
| Feb. 10 | <i>Memorandum by the State Secretary</i> Records has been informed by Reich Ministry of Economics of Schacht's views on representations made by Neurath concerning question of German indebtedness to Polish Railways for Corridor transit traffic. | 551 | 1117 |
| Feb. 15 | <i>Memorandum by the State Secretary</i> Records information from Schacht as to proposals made to Polish Ambassador for settling Corridor railway payments dispute. | 567 | 1146 |
| Feb. 26 | <i>Ambassador Moltke to State Secretary Bülow</i> Letter describing private visit to Poland by Göring who stated, in Führer's name, that rumours that Germany intending to enter into closer relations with USSR untrue. | 591 | 1201 |

RHINELAND

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 16 | <i>The Foreign Ministry to the Reichswehr Ministry</i> States that Foreign Ministry, too, are proceeding from assumption that universal military service must include demilitarized zone, and makes recommendations on methods of procedure. | 32 | 57 |
| Apr. 29 | <i>Memorandum by an Official of Department II</i> Records, in connection with <i>démarche</i> by French Consul General in Cologne concerning Landespolizei in demilitarized zone, has ascertained facts of matter from Landespolizei and proposes that, as its military character cannot be camouflaged, entire Landespolizei be withdrawn from demilitarized zone. | 56 | 94 |
| Apr. 30 | <i>Memorandum by an Official of Department II</i> Records information concerning discussion between Reichswehr Minister and General Reichenau regarding question of withdrawing Landespolizei from demilitarized zone. | 57 | 96 |
| May 29 | <i>The Reich War Ministry to the Foreign Ministry</i> Communicates, for information, copy of orders to C. in C. of Wehrmacht concerning need to avoid anything capable of being interpreted as breach of German obligations in Rhineland demilitarized zone. | 118 | 228 |
| June 12 | <i>The Reich War Minister and Commander in Chief of the Wehrmacht to the Foreign Ministry</i> Provides details of strength of police forces in Rhineland demilitarized zone and states action being taken concerning activities of SA in zone. | 147 | 294 |

RHINELAND—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 June 21 | <i>The Foreign Ministry to the Missions in Great Britain, France, Italy and Belgium</i> Informs of French <i>démarche</i> concerning provisions of Reich Defence Law in respect of registration of persons liable for military service, especially in demilitarized Rhineland zone, and of German reply. Text of German Note annexed. | 163 | 335 |
| Aug. 1 | <i>Memorandum by an Official of Department II</i> Comments upon guiding principles laid down by Commander of Landespolizei, which represent a comprehensive settlement of question of camouflaging Landespolizei in demilitarized Rhineland zone. | 242 | 523 |
| Nov. 19 | <i>The Reich War Minister and Commander in Chief of the Wehrmacht to the Commanders in Chief of the Army, Navy and Luftwaffe</i> Draws attention to anxiety felt by Foreign Ministry at detrimental effects which might ensue for Germany from non-observance of military restrictions applying in demilitarized zone of Rhineland and requests that due restraint and reserve be observed; particular attention should be paid to conduct of Landespolizei. | 420 | 837 |
| 1936 Feb. 7 | <i>The Chargé d'Affaires in France to the Foreign Ministry</i> Reports has received confirmation that question of demilitarized Rhineland zone discussed during international conversations in London and Paris; has also had conversation with Belgian Ambassador who spoke of Belgian anxiety concerning zone. | 547 | 1112 |
| Feb. 14 | <i>Memorandum by the Ambassador in Italy</i> Records conversation with Hitler, who was considering using French ratification of Franco-Soviet Pact as grounds for denouncing Locarno Treaty and for military occupation of Rhineland zone. Discussion of possibilities of inducing Mussolini to denounce Locarno in advance of German action. | 564 | 1142 |
| Mar. 2 | <i>Editors' Note</i> Military directives for the occupation of the Rhineland. [See also under <i>Italy</i> .] | | 1218 |

RUMANIA

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Apr. 1 | <i>The Acting Reich and Prussian Minister of Economics to the Rumanian Minister of Trade</i> Letter expressing satisfaction at conclusion of German-Rumanian commercial treaty and proposing a scheme whereby German claims in respect of advance deliveries to Rumania by way of reparations could be refunded by Rumanian Government since Germany's obligation to pay reparations has ceased. | 6 | 5 |
| May 2 | <i>Memorandum by the Foreign Minister</i> Records conversation with Rumanian Minister, who brought fresh offer from Titulescu to act as mediator between Germany and France. | 64 | 114 |

RUMANIA—continued

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 May 26 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Comments upon German-Rumanian economic negotiations and their favourable repercussions on German relations with Rumania. | 110 | 209 |
| June 14 | <i>The Reich War Ministry to the Foreign Ministry</i> Transmits report from Military Attaché in Prague concerning latter's recent visit to Bucharest and conversation with King Carol of Rumania; Attaché questioned King as to possibility of Rumania granting rights of military passage to Soviet forces. | 153 | 308 |
| June 20 | <i>Memorandum by an Official of Department II</i> Records conversation with Rumanian Minister who had obtained authority from Titulescu to deny categorically reports about impending conclusion of Rumanian-Russian assistance pact. | 160 | 331 |
| June 26 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Encloses memorandum by DNB Bucharest representative on conversation with Hungarian and Estonian Ministers there concerning Titulescu's Eastern policy and views on rapprochement with USSR. Adds own comments. | 175 | 359 |
| July 12 | <i>The Embassy in Great Britain to the Foreign Ministry</i> Transmits memorandum from confidant on conversation held with Titulescu during latter's visit to London. | 205 | 438 |
| Sept. 16 | <i>Minute by an Official of the Reich Chancellery</i> Note on Agreement of September 7 supplementing German-Rumanian Payments Agreement; expectation that new Agreement may finally eliminate tension in German-Rumanian commerce. | 297 | 634 |
| Sept. 28 | <i>Memorandum by a Deputy Director of Department II</i> Records enquiry from Rumanian Minister as to significance of Hungarian Minister President's visit to Germany; explained that character of visit non-political. | 309 | 662 |
| Oct. 8 | <i>The Director of Department II to the Legation in Rumania</i> Instructs that, although not advisable to issue any public statement or make direct representations on subject of possible conclusion of Russo-Rumanian pact, Military Attaché should voice German objections in course of conversation with King Carol. | 339 | 712 |
| Oct. 15 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Refers to document No. 339, and reports Military Attaché has caused matter to be brought to notice of King by Prince Friedrich of Hohenzollern; comments on attitude of various Rumanian politicians to Rumania's relations with Russia. | 353 | 729 |
| Oct. 18 | <i>Memorandum by the Director of Department II</i> Records conversation with Rumanian Minister who, on instructions from M.F.A., denied all rumours of Rumanian-Russian agreement granting Russia right of military passage through Rumanian territory. Minister also raised question of expulsion of Rumanian citizens of Jewish origin from Germany. | 362 | 749 |

RUMANIA—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Oct. 30 | <i>Circular of the Foreign Ministry</i> Reviews available information as to accuracy or otherwise of reports concerning Soviet-Rumanian negotiations for pact within framework of Soviet system of alliances. | 385 | 780 |
| Nov. 4 | <i>Memorandum by the Director of Department II</i> Records information obtained by old friend of King Carol, Dr. von Cramon, about King's attitude towards Russo-Rumanian relations. | 393 | 789 |
| Nov. 7 | <i>Circular of the Foreign Ministry</i> Reviews development of Rumania's relations with Russia on basis of reports to hand and concludes that present position represents standstill. Discusses French policy in relation to these developments, and instructs Missions in Paris and Bucharest to report anything observed regarding shaping of Russo-Rumanian relations and French influence thereon. | 401 | 801 |
| Nov. 9 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Reports remarks by Rumanian M.F.A. concerning policy in respect of Rumanian-Russian pact and Titulescu's assurances that Russians were never granted rights of military passage. | 405 | 809 |
| Nov. 26 | <i>The Foreign Ministry to the Legation in Rumania</i> Instructs that Germany has no intention of becoming involved in Rumania's disputes with neighbours and cannot entertain suggestion of making public statement concerning Rumania's frontiers. | 427 | 851 |
| Nov. 27 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Reports conversation at luncheon with M.F.A. who claimed to have fulfilled certain specific German wishes and then gave account of his political intentions. | 431 | 862 |
| 1936 Jan. 1 | <i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Discusses German-Rumanian relations in light of Rumania's divided attitude to Germany as being on one hand opposed to territorial <i>status quo</i> of Peace Treaties but on other hand possible partner for Rumania in countering Russia. Makes suggestions for improving relations. | 478 | 942 |
| Jan. 23 | <i>Memorandum by the Foreign Minister</i> Records conversation with Rumanian politician Brătianu, whom he informed that Germany had no alliance with Hungary or commitment actively to support Hungarian revisionist claims. | 514 | 1027 |
| Jan. 24 | <i>Memorandum by a Deputy Director of Department II</i> Commends proposal of Chargé d'Affaires in Bucharest that King Carol's passage through Germany on way to and from London should be used as opportunity for King to meet Hitler. | 516 | 1031 |
| Feb. 3 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Encloses memorandum by British confidant on conversations in London with Rumanian Minister President Titulescu. Draws attention to statements attributed in memorandum to Titulescu concerning possible reorientation of British policy under new King and need for German-Russian <i>rapprochement</i> . | 535 | 1083 |

ANALYTICAL LIST OF DOCUMENTS
RUMANIA—*continued*

LXIX

| Date | Subject | Doc. No. | Page |
|---------|--|----------|------|
| 1936 | | | |
| Feb. 13 | <i>Senior Counsellor Renthe-Fink to Counsellor Pochhammer</i> Letter replying to document No. 478 and commenting upon views and suggestions contained therein. | 561 | 1184 |
| Feb. 21 | <i>Memorandum by an Official of Department II</i> Comments on German policy towards Rumania; political interest not sufficient, even in respect of Rumano-Russian relations, to cause Germany to enter into any special relations with Rumania. | 577 | 1168 |
| Feb. 24 | <i>Memorandum by the Foreign Minister</i> Records conversation with Rumanian Minister, who was instructed to state report that his Government were on point of concluding mutual assistance pact with Russians incorrect; should circumstances subsequently compel conclusion of such pact Rumania would not consent to affording Russian forces passage through her territory. | 581 | 1184 |
| Feb. 24 | <i>Memorandum by the Foreign Minister</i> Records conversation with Rumanian Minister concerning Berlin visit of Rumanian politician Brătianu and German attitude to Hungarian revisionist aspirations. | 582 | 1185 |

SPAIN

| Date | Subject | Doc. No. | Page |
|----------|--|----------|------|
| 1935 | | | |
| Sept. 24 | <i>The Reich Federation of Industry to the Foreign Ministry</i> Transmits report by Secretary General of Export Consortium for War Material of Reich Federation of Industry dealing with negotiations in Spain in respect of delivery of German war material. | 303 | 641 |
| Oct. 4 | <i>The Acting Reich and Prussian Minister of Economics to the Foreign Ministry</i> Encloses copy of document No. 303 with comments by Reich Federation of Industry thereon, and describes action taken with Reich Commissioner for Iron and Steel. | 330 | 698 |
| Dec. 4 | <i>Minute by an Official of the Economic Department</i> Records discussion in Foreign Ministry, attended by representatives of Ministry of Economics and of German industry, on subject of export of German war material to Spain. Meeting considered three (enclosed) reports by Director General of Rheinmetall, Eltze. | 445 | 880 |
| Dec. 6 | <i>The Reich Federation of Industry to the Foreign Ministry</i> Encloses copy of minutes of meeting of German Export Consortium for War Material held to discuss deliveries of war material to Spain. | 450 | 891 |

SWITZERLAND

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 June 1 | <i>The Minister in Switzerland to the Foreign Ministry</i> Reports conversation with Federal Councillor Motta on latter's impressions of Hitler's May 21 speech; comments on Swiss reaction to speech. | 125 | 239 |
| June 27 | <i>Memorandum by the Foreign Minister</i> Records representations made by Swiss Minister regarding proposed German ban on Swiss paper <i>Basler Nachrichten</i> and decision by Hitler that ban must be imposed. | 179 | 371 |
| 1936 Feb. 4 | <i>The Chargé d'Affaires in Switzerland to the Foreign Ministry</i> Reports assassination of Landesgruppenleiter Gustloff in Davos by Yugoslav subject David Frankfurter who has surrendered himself to police. | 536 | 1086 |
| Feb. 5 | <i>The Foreign Ministry to the Legation in Switzerland</i> Informs of directives given German press on treatment of Gustloff murder; German journalists to be instructed accordingly. | 540 | 1093 |
| Feb. 5 | <i>The Minister in Switzerland to the Foreign Ministry</i> Reports conversation with Federal Councillor Motta to whom complained that agitation in Swiss press and failure of Federal Government to intervene against this responsible for Gustloff murder. | 541 | 1094 |
| Feb. 17 | <i>The Minister in Switzerland to the Foreign Ministry</i> Reports conversation with Federal Councillor Motta concerning judicial proceedings in connection with murder of Gustloff, and measures Swiss Federal Council might impose against German student and other, National Socialist, organizations in Switzerland. | 570 | 1151 |
| Feb. 20 | <i>The Foreign Minister to the Legation in Switzerland</i> Instructions forthwith to communicate to Swiss Government Note strongly protesting at prohibition of National Socialist organizations in Switzerland. | 571 | 1153 |
| Feb. 25 | <i>The Minister in Switzerland to the Foreign Ministry</i> Reviews position of Germans in Switzerland and opportunities of winning them over to support of Third Reich; considers position materially affected by current state of German-Swiss relations. | 587 | 1192 |
| Feb. 28 | <i>The Minister in Switzerland to the Foreign Ministry</i> Reports conversation with Federal Councillor Motta on Swiss reply to German Note of protest; remonstrated with Motta on Swiss insistence on prohibiting central organizations of NSDAP in Switzerland. | 595 | 1208 |

TURKEY

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Apr. 12 | <i>Unsigned Memorandum</i> Describes state of German-Turkish economic negotiations and lists certain questions at issue, which proposes be set forth to Secretary General of Turkish Foreign Ministry. | 26 | 46 |

TURKEY—*continued*

| Date | Subject | Doc. No. | Page |
|-----------------|--|----------|------|
| 1935 Apr. 21 | <i>The Ambassador in Turkey to the Foreign Ministry</i> Reports has communicated German Note concerning League Council resolution of April 17, and subsequent conversation with Acting Turkish M.F.A. | 43 | 74 |
| June 8 | <i>The Ambassador in Turkey to the Foreign Ministry</i> Reports impressions on leaving Turkey; believes leading statesmen not only respect and admire but are also generally sympathetic towards new Germany; comments on Russo-Turkish relations, and on continued Turkish dislike and suspicion of Italy as evinced especially by M.F.A. | 144 | 283 |
| Dec. 6 | <i>The Ambassador in Turkey to the Foreign Ministry</i> Reports discussion between members of Turkish Government, to which German naval advisers called in, on question of what naval units Turkey would require to defend Straits if not permitted to fortify them. | 449 | 889 |
| 1936 Feb. 15 | <i>The Head of the Press Department to the Embassy in Turkey</i> Instructions to ascertain purpose of statements made in press interview by Rüstü Aras concerning need to take into account certain changed circumstances in studying proposals for organization of peace in Europe and proposed discussion of the subject by Balkan Entente. | 566 | 1146 |
| Feb. 20 | <i>The Ambassador in Turkey to the Foreign Ministry</i> Refers to document No. 566 and reports explanation given by Turkish M.F.A. of his statements made to French paper. | 572 | 1156 |

UNION OF SOUTH AFRICA

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Apr. 25 | <i>Memorandum by the Director of Department III</i> States does not consider German Government need invite Prime Minister of Union of South Africa to visit Germany on occasion of latter's forthcoming stay in Britain. | 47 | 82 |

UNITED STATES

| Date | Subject | Doc. No. | Page |
|----------------|---|----------|------|
| 1935 Apr. 8 | <i>The Ambassador in the United States to the Foreign Ministry</i> Reports on American attitude to recent political events in Europe and to German policy. | 18 | 23 |
| June 18 | <i>The Ambassador in the United States to the Foreign Ministry</i> Reports and comments upon American attitude to political events in Europe and impact made upon public opinion by Hitler's speech of May 21. | 155 | 316 |

UNITED STATES—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 June 28 | <i>The Ambassador in the United States to the Foreign Ministry (for the Reich Ministry for Public Enlightenment and Propaganda, Department VII)</i> Comments upon attitude of American public opinion towards Germany and stresses importance of developing cultural work there. Encloses memorandum analysing existing position and requirements for extending cultural work. | 184 | 381 |
| July 6 | <i>Memorandum by the Foreign Minister</i> Records American Ambassador enquired about import of Anglo-German Naval Agreement, expressed hope that Italo-Abyssinian conflict could be settled without recourse to arms, and asked whether Germany prepared to participate in London Naval Conference. | 195 | 420 |
| July 25 | <i>The Chargé d'Affaires in the United States to the Foreign Ministry</i> Comments upon wave of anti-German feeling in United States resulting from certain anti-Semitic activities in Reich. | 222 | 474 |
| July 31 | <i>The Chargé d'Affaires in the United States to the Foreign Ministry</i> Refers to document No. 222 and describes further deterior- ation in general attitude of United States to Germany; has heard report to effect that President considering despatching note to Germany on Jewish question or making public statement. | 237 | 515 |
| Aug. 17 | <i>The State Secretary to the Embassy in the United States</i> States that it has now been decided to send Ministerial- direktor Ritter to United States, and discusses what form this visit should take in view of impossibility of announcing to U.S. Government that Ritter being sent as official negotiator. | 264 | 562 |
| Sept. 3 | <i>Reichsbankdirektor Hülse to the Foreign Ministry</i> Encloses copies of communications exchanged between Mr. T. W. Lamont and Reichsbank President Schacht concern- ing German default on external obligations and dis- crimination against American holders of German bonds, to detriment of German-American financial and commercial relations. | 284 | 608 |
| Sept. 9 | <i>The Director of the Economic Department to the Embassy in the United States</i> Instructions to inform Secretary of State, leaving <i>aide- mémoire</i> , of practical settlement which German Government have in mind for simplification and improvement of service of American coupons of Dawes and Young Loans. | 290 | 624 |
| Oct. 5 | <i>The Embassy in the United States to the Foreign Ministry</i> Reports discussions with official authorities concluded, but U.S. Government refuse to grant Germany most favoured nation treatment after October 15. | 331 | 699 |
| Oct. 5 | <i>The Embassy in the United States to the Foreign Ministry</i> Refers to document No. 331, assesses present position in German-American economic relations and discusses alterna- tives open to German policy. | 332 | 701 |

UNITED STATES—continued

| Date | Subject | Doc. No. | Page |
|--------|--|----------|------|
| 1935 | | | |
| Oct. 9 | <i>The Acting State Secretary to the Embassy in the United States</i> Refers to documents Nos. 331 and 332, and sends instructions regarding removal of America from Germany's most favoured nation list; statement to be made to State Department. | 340 | 713 |
| Oct. 9 | <i>The Ambassador in the United States to the Foreign Ministry</i> Refers to document No. 340 and states will refrain from making prescribed <i>démarche</i> pending discussion in Berlin of views submitted by Ritter and himself. | 341 | 714 |

USSR

| Date | Subject | Doc. No. | Page |
|---------|--|----------|------|
| 1935 | | | |
| Apr. 1 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports article in Soviet press by Deputy Commissar for Defence, Tukhachevsky, about "war plans of German army" which contains extraordinarily exaggerated figures on German rearmament. | 2 | 1 |
| Apr. 1 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Refers to document No. 2 and proposes that he should protest to Litvinov and Military Attaché to Red Army at hostility towards Germany shown in Tukhachevsky article. | 3 | 2 |
| Apr. 2 | <i>The State Secretary to the Embassy in the Soviet Union</i> Refers to documents Nos. 2 and 3 and approves proposed protests; instructions not to discuss actual strength of German armaments. | 7 | 7 |
| Apr. 5 | <i>The Military Attaché in the Soviet Union to the Reichswehr Ministry and the Foreign Ministry</i> Reports has protested, as instructed, to Head of Foreign Liaison Staff of Red Army, about newspaper article on German war plans by Deputy Commissar for Defence, Tukhachevsky, and subsequent conversation. | 15 | 18 |
| Apr. 9 | <i>Memorandum by the Director of Department IV</i> Records German-Soviet Economic Agreement signed that day, and gives main points of Agreement. | 20 | 28 |
| Apr. 9 | <i>Final Protocol on the German-Soviet Economic Discussions of April 9, 1935</i> Comprises (1) Treaty on settlement of Soviet liabilities, on Soviet imports into Germany, and on current orders placed by USSR in Germany, (2) Treaty on additional orders placed by USSR in Germany, (3) exchange of letters. | 21 | 29 |
| Apr. 11 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports on Soviet press treatment of announcement (made in Paris on April 9) of proposed Franco-Soviet agreement. | 23 | 44 |
| May 6 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Comments on Soviet attitude to Franco-Soviet alliance as seen from his post and probable effects of this Treaty on Soviet policy in Europe. | 70 | 128 |

USSR—continued

| Date | Subject | Doc. No. | Page |
|---------------|--|----------|------|
| 1935 May 8 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports conversation with Litvinov, who hoped Franco-Soviet Treaty would be followed by general pact of kind suggested by Germany and considered only difficulty to be Germany's attitude to Lithuania. | 78 | 138 |
| May 17 | <i>Memorandum by the Foreign Minister</i> Records conversation with Russian Ambassador who informed him that, as result of conversations with Laval, Soviet Government had decided to take initiative in bringing about Eastern Pact on basis of memorandum communicated by Reich to British Government (vol. III, document No. 564). | 95 | 168 |
| June 27 | <i>Memorandum by an Official of Department IV</i> Records conversation with Hirschfeld, First Secretary of Soviet Embassy, as to whether French view that Franco-Russian Pact would, under Protocol of Signature, become invalid if Eastern Pact on German model came into being was correct interpretation. | 180 | 372 |
| July 15 | <i>The Acting Reich and Prussian Minister of Economics to the Foreign Ministry</i> Encloses minute on conversation with leader of Soviet Trade Delegation, Kandelaki, who endeavoured to raise, in addition to economic subjects, question of improving German-Russian political relations. | 211 | 453 |
| Oct. 28 | <i>Ambassador Schulenburg to State Secretary Bülow</i> Letter enclosing minute by Counsellor of Embassy Twardowski, who about to take up appointment in Berlin, of a conversation with Deputy Commissar for Defence, Tukhachevsky, who was unusually frank and cordial. | 383 | 778 |
| Nov. 1 | <i>Memorandum by an Official of Department II</i> Records conversation between Reichsbank President Schacht and Head of Soviet Trade Delegation in Berlin, Kandelaki, concerning application of German-Russian Agreement of April 9, 1935, and future shaping of German-Russian commercial relations. | 386 | 783 |
| Nov. 1 | <i>Minute by an Official of Department II</i> Comments upon friendly attitude towards Germany shown by representatives of Red Army as reported in document No. 383 and suggests reasons therefor. | 387 | 783 |
| Nov. 11 | <i>Ambassador Schulenburg to Ministerialdirektor Köpke</i> Letter giving account of recent interview with Litvinov who spoke of Italo-Abyssinian conflict with unusual frankness. Also refers to document No. 383 and describes Litvinov's toast to rebirth of German-Russian friendship during November 7 celebrations. | 407 | 811 |
| Dec. 2 | <i>Memorandum by a Deputy Director of Department II</i> Records conversation with Counsellor of Soviet Embassy who displayed interest in discovering when German Ambassador in Moscow would be received by Hitler. Counsellor then broached subject of German-Russian relations and possibilities of achieving détente. | 439 | 870 |

USSR—continued

| Date | Subject | Doc. No. | Page |
|---------|--|----------|------|
| 1935 | | | |
| Dec. 10 | <i>Memorandum by the Deputy Director of Department VI</i> Records visits paid him by Soviet Counsellor of Embassy Bessonov and Soviet Ambassador Suritz; both enquired as to possibilities of improving German-Soviet relations. | 453 | 897 |
| Dec. 21 | <i>Memorandum by a Deputy Director of Department II</i> Records conversation with Soviet Counsellor of Embassy Bessonov who described current state of German-Soviet economic negotiations; Counsellor enquired as to Hitler's conversation with British Ambassador and German attitude to Franco-Soviet Pact and to projected Eastern Pact; he put forward idea of supplementing Berlin Treaty by bilateral German-Soviet non-aggression Pact. | 472 | 931 |
| Dec. 30 | <i>Editors' Note</i> Retirement of Richard Meyer, Director of Department IV, and disbandment of that Department. | | 941 |
| 1936 | | | |
| Jan. 6 | <i>Memorandum by an Official of Department II</i> Records interdepartmental meeting convened by Ministry of Economics on subject of German-Soviet economic relations. Course of Schacht-Kandelaki negotiations reviewed; question of Germany granting USSR ten year credit of 500 million RM, in form of bonded loan, discussed. | 483 | 967 |
| Jan. 11 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Comments on speech by Molotov on January 10, and on mention made therein of German proposal to grant Soviet Union larger credit. | 489 | 985 |
| Jan. 11 | <i>Memorandum by an Official of Department II</i> Refers to meeting in Reich Ministry of Economics (recorded in document No. 483) at which first learned of proposed grant by Germany to Soviet Union of bonded loan to value of 500 million RM. Comments on political aspect of proposal and desirability of preparing for it by appropriate propaganda. | 490 | 987 |
| Jan. 18 | <i>Memorandum by an Official of Department II</i> Records information from member of Reich Ministry of Economics as to Schacht's view of new Soviet decree concerning exports as being merely demonstration against Germany, and action previously taken by Schacht in declining to receive Soviet trade delegate Kandelaki on account of Molotov's recent speech. | 502 | 1009 |
| Jan. 20 | <i>Memorandum by the Director of the Economic Department</i> Refers to document No. 483 and states objections to granting Russia ten year credit in form of bonded loan. | 505 | 1012 |
| Jan. 24 | <i>The Russia Committee of German Industry to the Foreign Ministry</i> Transmits minute stating that Hitler has forbidden all war material transactions with Russia, which Reich War Ministry take to mean only what is laid down in Law of November 6, 1935; effect of this on current negotiations. | 518 | 1033 |

USSR—continued

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1936 Jan. 27 | <i>Minute by the General Manager of the Russia Committee</i> Notes of meeting between members of Russian Trade Delegation and Russia Committee of German Industry, held Berlin January 24, to discuss questions concerning proposed new German-Russian economic agreement for 1936; Russian concern at hold up in negotiations with Ministry of Economics, and proposed terms for new agreement. | 524 | 1040 |
| Jan. 31 | <i>Memorandum by an Official of Department II</i> Records has learned in confidence from official of Ministry of Economics of interview between Schacht and Soviet Trade delegates when Soviet draft Trade Agreement for 1936 accepted as basis of negotiation by Schacht. Latter however refused to discuss question of bonded loan. | 530 | 1060 |
| Feb. 15 | <i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports Soviet press comment reflects great uneasiness over delay in ratification of Franco-Soviet Pact by French Parliament. [See also under <i>France, General Policy and Great Britain.</i> | 565 | 1145 |

VATICAN

| Date | Subject | Doc. No. | Page |
|-----------------|---|----------|------|
| 1935 Apr. 16 | <i>The Foreign Ministry to the Embassy to the Holy See</i> Instructions for reply to Note of Cardinal Secretary of State of January 29, 1935 (enclosure to document No. 481 in vol. III of this Series). | 31 | 55 |
| June 10 | <i>The Ambassador to the Holy See to the Foreign Ministry</i> Transmits Note from Cardinal Secretary of State in reply to German Note of April 20 (see document No. 31) concerning application of Article 31 of Reich Concordat. | 145 | 286 |
| Nov. 13 | <i>Foreign Minister Neurath to Ambassador Bergen</i> Letter commenting upon position of Vatican in relation to Italo-Abyssinian conflict and authorizing informal statement that no fears need be entertained of Germany, who will continue to strive for the peace of Europe. | 408 | 814 |
| 1936 Jan. 4 | <i>Ambassador Bergen to Foreign Minister Neurath</i> Letter describing audience with the Pope, who expressed grave anxiety at recent events in Germany, and subsequent conversation with Cardinal Secretary of State on subject of this audience. | 482 | 963 |
| Jan. 20 | <i>Foreign Minister Neurath to Ambassador Bergen</i> Letter referring to document No. 482 and stating that, whilst Germany has no intention of attacking Catholic Church as such, Holy See, Bishops and lesser clergy must recognise that clergy in Germany no longer permitted to exceed their authority without restraint. | 503 | 1010 |

YUGOSLAVIA

| Date | Subject | Doc. No. | Page |
|----------|--|----------|------|
| 1935 | | | |
| May 16 | <i>Counsellor Busse to Senior Counsellor Heinburg</i> Letter describing results of his mission with Rasić, Yugoslav Counsellor in Berlin, to whom he spoke of Hungarian reports that proclamation of Habsburg regency imminent in Vienna. Question of Göring's forthcoming visit to Belgrade and possible political repercussions also discussed. | 93 | 166 |
| July 3 | <i>The Minister in Yugoslavia to the Foreign Ministry</i> Comments upon recent Cabinet changes in Yugoslavia and assumption by Stojadinović of direction of foreign policy. | 191 | 407 |
| Aug. 21 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports conversation with Yugoslav Minister Nastasijević who expressed his Government's fears of possible Habsburg restoration and French attitude to question. Nastasijević proposed confidential military agreements with Germany for this contingency. | 269 | 571 |
| Sept. 11 | <i>The Minister in Austria to the Führer and Chancellor</i> Reports information from Yugoslav colleague on Little Entente conference in Bled, in respect of Habsburg question, and on Yugoslav Government's attitude to Danubian Pact and to question of resuming relations with Russia. | 292 | 627 |
| Nov. 28 | <i>Senior Counsellor Renthe-Fink to Minister Heeren</i> Letter referring to views expressed by Military Attaché about developing German-Yugoslav relations, in particular by exchange of military personnel and by creating economic links for equipping Yugoslav Army. Requests views on these questions from political aspect. | 434 | 865 |
| Dec. 3 | <i>The Minister in Yugoslavia to the Foreign Ministry</i> Reviews prospects for Hungarian-Yugoslav <i>rapprochement</i> at present time; considers any Hungarian attempt to loosen ties of Little Entente unlikely to succeed with Yugoslavia. | 444 | 878 |
| Dec. 4 | <i>Minister Heeren to Senior Counsellor Renthe-Fink</i> Letter referring to document No. 434 and commenting upon Military Attaché's suggestions for developing relations between Germany and Yugoslavia in military sphere and that of armaments. | 446 | 886 |
| Dec. 6 | <i>Memorandum by the Foreign Minister</i> Records conversation with newly appointed Yugoslav Minister in Berlin, Cincar-Marković; latter instructed by Prince Regent and Stojadinović to state Yugoslavia determined to pursue policy of political and economic <i>rapprochement</i> with Germany. | 447 | 888 |
| 1936 | | | |
| Jan. 31 | <i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports informal conversation with Prince Regent of Yugoslavia, who expressed views on German-Yugoslav relations, activities in London of Prince Starhemberg, and Habsburg restoration question. | 533 | 1078 |
| Feb. 13 | <i>The State Secretary to the Legation in Yugoslavia</i> Refers to document No. 543 (see under <i>General Policy</i>) and sends instructions for statement of German views to be made to Stojadinović in connection with forthcoming economic conference of Little Entente and with reports that it is there proposed to try to link Austria, Hungary, Italy, Bulgaria and Little Entente more closely together economically as prelude to political settlement. | 558 | 1130 |

No. 1

6680/H096269

The Director of Department IV to the Consulate General at Shanghai

Telegram

URGENT
No. 22

BERLIN, April 1, 1935—8:50 p.m.
e. o. IV Chi. 624.

For the Consul General personally.

Please forward the following telegram to the Consul General at Canton and inform the Legation.

Klein has left here again with the approval of the highest authorities.¹ In return for the photographs of Chiang Kai-shek and Ch'en Chi-t'ang² for the Führer and the Reichswehr Minister, which Klein brought with him, Klein has been given two photographs of the Führer, one for each Marshal, and also photographs of the Reichswehr Minister with accompanying letters, as well as a letter of recommendation to each of them from Schacht. You should give Klein all the assistance he requests. You should keep us informed about developments, by telegram if necessary.

MEYER

¹ See also vol. III of this Series, document No. 508, to which no replies have been found.

² Marshal Ch'en Chi-t'ang, Commander in Chief First Army Group at Canton.

No. 2

7467/H182250-51

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

URGENT
No. 57 of April 1

Moscow, April 1, 1935—9:28 p.m.
Received April 2—1:15 a.m.
II Abr. 716.

Pravda of March 31, and *Isvestia* and *Krasnaya Svezda* of April 1, publish an article by the Deputy Commissar for War, Tukhachevsky, about "the war plans of present-day Germany".¹ Tukhachevsky maintains that Hitler, according to the Agentur Radio, stated that Germany reserved full freedom of action in future in respect of the

¹ A German translation of Tukhachevsky's article (5892/E433022-32) was forwarded by the Military Attaché in Moscow, Col. Hartmann, under cover of his report No. 11 of Apr. 1 (5892/E433017).

Soviet Union. But this anti-Soviet slant only served to conceal plans of revenge against the West, and the South also. Germany wished to accomplish plans of revenge and territorial robbery. In order to show the German danger in the military respect, Tukhachevsky quotes extraordinarily high and exaggerated figures about the state of German armaments. Tukhachevsky maintains that Germany has 2,100 bombers and reconnaissance planes at her disposal, and 1,600 fighter and auxiliary planes.² According to him the personnel of the [German] air force comprises 60,000 effectives and a further 60,000 are being trained. The infantry divisions have a strength of 5,460 [*sic*]³ effectives. In case of war, Germany could at once muster 108 infantry divisions: 5 cavalry divisions and 10 motorized regiments together amount to 51,000 effectives, 16 artillery regiments, which are available over and above the artillery in infantry and cavalry formations, comprise 54,000 effectives, the motorized divisions, alongside 4 mechanized brigades and 12 tank battalions, number 33,000 effectives, the sappers have 23,000 effectives, war academies and various establishments of the Reichswehr Ministry number 60,000 effectives, the Navy numbers 22,600 effectives. Therefore in the summer of this year the number of German military effectives will be 909,000, or not counting 60,000 airmen in training, 849,000. On the basis of the fantastic figures set out above, Tukhachevsky computes detailed particulars of the German . . . (group mutilated) army of invasion [*Einfallarmee*].

SCHULENBURG

² See also vol. III of this Series, Appendix I.

³ Apparently a garbled group; the Moscow draft of the document here printed has not been found, but the figure cited in Tukhachevsky's article (see footnote 1 above) is 15,000.

No. 3

7467/H182252

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

URGENT

No. 58 of April 1

Moscow, April 1, 1935—9:30 p.m.

Received April 1—9:45 p.m.

II Abr. 717.

With reference to our telegram No. 57.¹

That such a high ranking person in the Soviet military administration as the Deputy Commissar for War should publish under his own name such bogus figures for the purpose of anti-German propaganda constitutes a striking official act of hostility to Germany. I propose to protest to Litvinov and also to cause the Military Attaché to make

¹ Document No. 2.

representations to the Red Army. I should be grateful to receive approval by telegram and to be informed whether the Foreign Ministry and the Reichswehr Ministry propose to take similar steps.

SCHULENBURG

No. 4

Memorandum by the Foreign Minister

BERLIN, April 1, 1935.

RM 294.

When he visited me today, President of the [Danzig] Senate Greiser explained to me in detail the differences which exist between him and the League of Nations High Commissioner, Lester,¹ which had become particularly acute as a result of a report which Lester had sent to the Secretary General of the League of Nations, M. Avenol, and in which he described President Greiser as unreliable and incompetent. Greiser has in his possession a photograph of this report. Upon Greiser's enquiring in writing as to whether Lester had sent a report of this nature to Geneva, the latter is alleged to have denied doing so. Herr Greiser seemed inclined to start a public quarrel on this account. I urgently advised him not to do so, since he would undoubtedly come off worst. Herr Greiser finally agreed to do nothing for his part that would exacerbate their dispute.

V. N[EURATH]

¹ On Mar. 24, 1935, Greiser had delivered an election speech complaining that the High Commissioner took a wider view of his functions than did the population of the Free City, who considered that his only function was to act as arbitrator between Danzig and Poland; on Mar. 26 the High Commissioner sent Greiser an *aide-mémoire* protesting against these statements, and on May 7 he wrote to the Secretary General of the League, drawing his attention to the situation in Danzig (see League of Nations: *Official Journal*, June 1935, pp. 636-638 and 716-718).

No. 5

8066/E579241-42

Ambassador Hassell to Foreign Minister Neurath

ROME, April 1, 1935.

DEAR NEURATH: Waldau¹ is flying to Berlin today for a few days, having been summoned by his Chief. I am availing myself of the opportunity to send you my greetings and to add a few words about the work here. From my last telegram, No. 73 of March 29,² you will have noted the state of excitement prevailing here amongst the

¹ Captain Hoffmann von Waldau, German Air Attaché in Italy.

² Vol. III of this Series, document No. 563.

population. In the meantime there has, I think, been a very slight easing of tension, but basically the atmosphere has not appreciably changed.

I have always thought that it would certainly be expedient, without perhaps giving way too much to ill-feeling, however justifiable, to do everything possible to induce Italy, as a member of the newly assembled Entente bobsleigh team, when taking the curves [of the run], to lean at a somewhat different angle from the one which the French captain of the team would like. In a letter which I wrote to you in December³ I pointed out that it seemed to me to be of primary importance from the practical point of view to prevent, by recreating a certain minimum of confidence, Italy from swinging more or less unconditionally over to the Franco-British side the next time that the question of disarmament came up.

I think that it will still be possible to prevent Italy from wholly supporting the French attitude on decisive issues. In this connection nothing is further from my thoughts than to recommend to you a policy which would involve our abandoning our logical and fearless adherence to our point of view or make us go to Italy as supplicants. In my approach to the various Italian feelers which were put out during the autumn and early winter I invariably stressed this and advised a policy of reserve. But between that and a completely negative attitude, there is, of course, a difference. It must never be forgotten in the present situation that the basis of the tension here is fear—that is to say anxiety about the *acies oculorum* of the Cimbri and the Teutons, about the bursting of the Germanic dam on the southward side, above all, about a forcible solution of the Austrian problem. Even a man like Mussolini is not altogether unaffected by these fears, and how greatly he is subject to moods you yourself know better than anyone. Since July 25⁴ this has been the case more than ever before. The possibility of being able to exercise a certain calming influence on this mood at a decisive moment is therefore all the more likely. There is, of course, no object to be gained either for myself or for the Reich, in my approaching Mussolini under present conditions unless there exists the basis for a conversation in which I could still engage even today on the ground of our personal relations of mutual confidence. I should therefore be most grateful if you would send me, in good time and before Stresa,⁵ personal instructions which would permit me to approach Mussolini in the manner indicated.

³ See *ibid.*, document No. 385.

⁴ i.e., July 25, 1934, the date of the assassination of Dollfuss; see also *ibid.*, documents Nos. 115 and 119.

⁵ It had been announced in the official communiqué issued after the meeting between Laval, Eden and Suvich in Paris on Mar. 23, that the British, French and Italian Foreign Ministers would meet at Stresa on Apr. 11. It was subsequently announced that the respective Prime Ministers would also participate (see *The Times* of Mar. 25 and Apr. 9, 1935).

We are very pleased at the prospect of shortly being able to welcome your wife here.

With cordial greetings and good wishes for your work,

Yours etc.,⁶

⁶ The present document, which is from the files of the German Embassy in Rome, is unsigned. A marginal note reads: "As my suggestion to the same effect, made by telegram immediately after March 16 [the date of the German conscription law] remained unanswered, I waited a few days and then reminded State Secretary von Bülow once more by telephone. He replied that we probably have nothing particular to say to Signor M[ussolini] on the subject, but said he would submit the question to Baron Neurath. I have, however, received no instructions and was thus not in a position to make any official statements. This letter represents my last attempt to get in touch with M[ussolini] before Stresa. H[assell]."

Hassell was evidently referring to his telegram No. 63 of Mar. 18 (7692/E548156) and to his telephone conversation with Bülow on Mar. 20, recorded by the latter in a memorandum of even date (7692/E548157).

No. 6 •

9697/E682889-91

The Acting Reich and Prussian Minister of Economics to the Rumanian Minister of Trade

Copy

BERLIN, April 1, 1935.

e. o. W 3775.

MY DEAR MINISTER: I venture to write and once again express my satisfaction at the success of our mutual efforts in getting the German-Rumanian commercial treaty¹ safe to port. I hope that the clearing agreement will follow in a few days² and that we shall then witness a revival of German-Rumanian trade.

After careful consideration we agreed in our last conversation³ to deal with the question of oil separately. The difficulties of finding markets for oil are, of course, markedly increasing throughout the whole world. Production is constantly rising and payment difficulties are increasing more and more, which means that the big companies are never rid of their troubles. In the circumstances, I think that an agreement between our two countries about a long-term supply of oil would offer substantial advantages to both parties.

Furthermore, every country whose raw materials are in foreign hands must strive to produce these raw materials for itself if it wishes to remain master of its national economic potential. I have the impression that for Rumania an unpleasant situation has frequently been created by the fact that her most important raw material is being predominantly exploited by foreigners.

¹ See vol. III of this Series, document No. 551.

² In despatch 1 of May 15 from Bucharest (9692/E682114-34) Wohlthat reported on the progress of the negotiations, which had begun on May 6, and enclosed a copy of the clearing agreement which had been initialled subject to certain reservations. See also document No. 110.

³ Held in February 1935; see vol. III of this Series, document No. 543, footnote 3.

These ideas have led to the proposal, already briefly discussed, that Germany should open up fresh sources of oil for an oil company to be designated by the Rumanian Government and that she should be paid in oil and not in foreign exchange for the material supplied and for the installation. M. Constantinescu of the Creditul Minier has had certain preliminary conversations here with private groups. It is evident, however, that this whole matter can only proceed under the supervision and with the collaboration of the two Governments.

This is all the more necessary since an important problem pending between our two Governments still remains unsolved. This concerns the advance deliveries which a number of firms have made by way of reparations⁴ and for which, now that [Germany's] reparations obligations have ceased, the Rumanian Government have so far refused to pay. I believe it would serve to promote good relations between us in future if this matter could be settled in an amicable way and I see in the oil proposal the means to do this. I take leave, therefore, to redefine the proposal as follows:

A Rumanian oil company to be designated by the Rumanian Government (possibly the Creditul Minier) shall conclude with a German group of manufacturers a contract for supplies and installation for the purpose of expanding its oil production on a scale still to be agreed. The German group of manufacturers will supply the installation (organisation) and all the machinery on credit. The Rumanian Government shall grant a credit to the Rumanian oil company for all such work as can be carried out on the spot by Rumanian labour. This credit shall be set against the thirty million Reichsmark, approximately, which are owing for reparation deliveries in kind. The new German commercial credit shall be as large as is necessary for the proposed expansion of the company. The repayment of the whole of the new commercial credit and of the thirty million Reichsmark shall be discharged by deliveries of oil. As soon as the two credits have been paid off by such oil deliveries, the Rumanian company shall become the sole owner of the plant and installation provided.

This is the broad outline of the proposal, the details of which, as regards both figures and modalities, would naturally remain to be agreed. The object of my present enquiry, Sir, is to ascertain whether the Rumanian Government are agreeable to pursuing this proposal. If so, I would ask you to inform me whether I should arrange to have the further negotiations conducted by my intermediaries with M. Constantinescu or alternatively with someone else.

In anticipation of your kind decision, I remain,

Yours etc.,

DR. HJALMAR SCHACHT

⁴ See also *ibid.*, documents Nos. 543 and 556.

No. 7

7467/H182254

The State Secretary to the Embassy in the Soviet Union

Telegram

No. 42

BERLIN, April 2, 1935—8:00 p.m.

[zu] II Abr. 716.¹717² II.

With reference to your telegrams Nos. 57¹ and 58.²

Please protest to Litvinov about the inflammatory article by the Deputy Commissar for War, Tukhachevsky. In so doing, you should say that this is a most poisonous article, which bases insinuations about German plans for aggression on exaggerated and tendentious information about alleged German armaments. You should not enter into any kind of discussion about the actual strength of German armaments.

The Reichswehr Ministry agrees that the Military Attaché should make identical representations to the proper quarters of the Red Army.

BÜLOW

¹ Document No. 2.² Document No. 3.

No. 8

7467/H182286-87

The Ambassador in Poland to the Foreign Ministry

Telegram

MOST URGENT
No. 20 of April 3

WARSAW, April 3, 1935.

II Abr. 756.

Count Szembek asked me to call on him today in order to inform me on behalf of the Foreign Minister of one or two first impressions gained during the first days of the conversations with Eden.¹ First of all he spoke of the Polish invitation to Laval,² and referred to the information he gave me a few days ago (report 689 of March 12 [*sic*: 30], 1935),³ according to which this visit was unlikely. In the meanwhile, he said, the French Ambassador here⁴ had made it so clear that Laval desired such an invitation that there was really nothing for it but to fall in with his wishes.

¹ Eden visited Warsaw Apr. 1-3; an account of his visit was given by Simon in the House of Commons on Apr. 9; see *Parliamentary Debates*, 5th Series, *House of Commons* (hereinafter cited as *Parl. Deb., H. of C.*), vol. 300, col. 985; see also Comte Jean Szembek: *Journal* 1933-1939 (Paris, 1952) (hereinafter cited as Szembek: *Journal*), pp. 52-53.

² Laval visited Warsaw May 10-12 on his way to Moscow.

³ Not printed (M154/M005227-28).

⁴ Jules Laroche.

As for the Eden visit, he could only give me a first-hand account of the interview with Marshal Pilsudski, at which he had been present. One could not say that it had been a purely political discussion. The Marshal had merely remarked in general that he did not care for the multilateral treaty and had then said that details could be dealt with in the discussions with the Foreign Minister. Apart from this, the conversation during the interview, which lasted an hour, turned mainly on Russia, and the Marshal illustrated with anecdotes from his own life how difficult it was to gain a true picture of Russia.

Count Szembek repeatedly stressed how strongly it was felt here that Eden underrated Russia, both as a military Power and as a threat to Europe. He said that it was interesting that in this connection Eden had remarked that Berlin was "*plus belliqueux[x] que Moscou*". As for the Eastern Pact, the discussions held during the first day had in no way altered the Polish attitude. Eden had shown great understanding for the Polish point of view and one could already say that the Eastern Pact, in the shape it had worn so far, had been discarded. Attempts would now be made to find some substitute for the Eastern Pact. It was possible that the concept embodied in our draft would once again be considered. But a new plan, which avoided *assistance mutuelle*, had apparently come up in Paris. The view was still held here that bilateral pacts were preferable to any multilateral system, but we would understand that the Polish Government could not refuse to cooperate in efforts to achieve a system of collective security. It was, of course, a prerequisite that the work already done towards pacifying the East by means of bilateral treaties should not be affected. No details had as yet been discussed, but the negotiations would be resumed this morning. Beck had asked him to tell me that he would probably receive me tomorrow in order to give me further information.

MOLTKE

No. 9

8066/E579243-47

Foreign Minister Neurath to Ambassador Hassell

BERLIN, April 4, 1935.

DEAR HASSELL: May I make the following comments on your letter of April 1:¹

It was clear from the outset that the reintroduction of universal military service² would at first cause a great stir abroad. That we, nevertheless, decided shortly before the Anglo-German conversations³

¹ Document No. 5.

² On Mar. 16, 1935; see vol. III of this Series, documents Nos. 532 and 538.

³ i.e., the Simon-Eden conversations in Berlin, held Mar. 24-26; see *ibid.*, documents Nos. 555 and 564.

to lift the veil from our rearmament measures, was because we could only hope to find a way out of the tangle of political intrigue by putting all our cards on the table. The communiqué of February 3⁴ showed clearly that, if we were not prepared to accept the plans as a whole, we should once more be branded as disturbers of the peace and the whole blame would be laid at our door.⁵ If we were to make any progress, it was essential that we should make it clear once and for all that we had already assumed equality of rights in the field of rearmament. We were, as I have already said, prepared for the uproar which followed. You will have learned, from the information on the Anglo-German conversations sent to you meanwhile, that these conversations were by no means as negative as France, Italy and Russia have deliberately represented them to be. We could hardly expect the British to receive with enthusiasm the announcement of the German rearmament programme. Nor did we expect them to abandon the formal point of view that we had thereby broken the Versailles Treaty. Their faces grew visibly longer when we told them the size of our peace-time army and informed them frankly of the parity which our air force had already attained with that of the British. I have the impression, however, that they were not only most agreeably impressed by the Chancellor, but that they also—and this applies particularly to Simon who was in Berlin for the first time—at least took home with them a certain measure of understanding for the German point of view.

The extremely hysterical Italian outbursts and measures following upon our action in the matter of rearmament would perhaps have surprised me but for the fact that, during my eight and a half years' service in Rome,⁶ I frequently witnessed similar demonstrations, though admittedly in a different context. What Italy's [underlying]⁷ reasons are for the military measures she has taken are not clear to me [to this day. Every now and then I have the impression that Signor Mussolini does not know them himself.] Does he really [seriously] believe that we propose to occupy Austria? [Then his intelligence service must, to say the least, be bad.] When the Central European Pact was discussed, the Reich Chancellor, having tried to give a clear picture of the German-Austrian problem and the causes of tension,

⁴ i.e., the Anglo-French communiqué; see *ibid.*, documents Nos. 479, 483, enclosure, and 490.

⁵ Marginal note in Hassell's handwriting: "Czechosl[ovakian] base for Russian air force."

⁶ Neurath was Ambassador in Italy, February 1922–October 1930.

⁷ The passages here printed in square brackets were crossed out by Hassell, who also inserted the word "Signor" before Mussolini's name throughout this document, evidently before making use of it with Suvich. In telegram No. 81 of Apr. 6 (2784/540379–80) Hassell reported that Mussolini had left Rome early the previous day and would not return before the Stresa Conference; Hassell had therefore that day conveyed the contents of Neurath's letter to Suvich who took notes and promised to forward the message to his Head of Government immediately.

told the British once again that "no one in Germany wished to annex Austria, to force an *Anschluss* on her or to diminish her right to self-determination". The struggle between National Socialism and its opponents in Austria was, he said, an internal Austrian question, but one which Germany could not, of course, view with indifference. All we desired, he said, was that Austria should leave the arena of international politics to seek happiness after her own fashion [and we would gladly contribute towards the pacification of Austria].

We further informed the British that we accepted in principle the Central European Pact drawn up in Rome between Laval and Mussolini and that we were still doubtful only about certain practical details, particularly as regards the concept of non-intervention; we should be only too happy to have this concept clarified and definitively laid down. In this connection, Sir John Simon and I agreed that he, too, would do his best to find a formula which would remove doubts regarding both the concept of non-intervention and the authority which would be competent to decide upon this matter.

You can therefore tell Mussolini from me that our attitude towards the Central European Pact is entirely favourable and that we are hoping that a formula for this pact, capable of resolving our doubts regarding definition, will be found at Stresa. We should be particularly gratified if the Austrian question could be excluded from discussion between Italy and ourselves, thus at last establishing better relations between our two countries. Mussolini has always shown complete understanding of our desire to restore our means of defence and for many years has repeatedly pointed out that a people of sixty-five millions could not be kept down for ever. Unfortunately his far-sighted warnings and exhortations have had no effect on the French. And, as our efforts to reach a [direct] understanding on the subject with France have been frustrated by the completely negative attitude of the French Government, we have now had to take our fate into our own hands and forge the weapons which we consider necessary for our defence. I can assure [Mussolini] most emphatically that we have no aggressive intentions against anyone and least of all against Italy.

With best wishes,

Yours,

NEURATH

No. 10

M174/M005497

The Military and Air Attaché in Great Britain to the Foreign Ministry

LONDON, April 4, 1935.

Received April 6.

II M 853.

Copies of the following communications are being despatched with today's courier:

a) Enclosure 1 to [report] 13/35 concerning the German press campaign against the British armaments industry.¹

b) Enclosure 4 to 13/35 concerning the new British Military Attaché for Berlin.²

c) Enclosure 6 to 13/35 with regard to seconding an Engineer Officer.³

d) Enclosure 15 to 13/35. Conversation about German military sovereignty.⁴

e) Enclosure 16 to 13/35. Conversation with Lord Londonderry.

FRHR. V. GEYR

Colonel

5576/E400237-38

[Enclosure]⁵

Enclosure 16 to 13/35.

Subject: Conversation with Lord Londonderry.⁶

With reference to the proposal contained in your No. Z.A. 1237/35 of March 26, 1935.⁷

In agreement with the Ambassador, I availed myself today of the Air Ministry's permission to state the German view regarding the possibility of a Russian threat from the air.

I outlined briefly to Lord Londonderry the possible routes and especially the danger of a bomber fleet being assembled on Czech territory and the direct threat arising from this to Berlin and to German industrial areas.

I also allowed myself to be guided in my statements by the basic directive issued by the Reichswehr Minister, namely that the threat from Russia should be given primary importance in any statements about German military considerations.

Lord Londonderry listened to my explanations in the presence of

¹ Not printed (5576/E400274).

² Not printed (5576/E400275-76).

³ Not printed (M174/M005498).

⁴ Not printed (7642/E546185-87).

⁵ This was addressed to the Air Ministry and copied to the Reichswehr and Foreign Ministries.

⁶ Secretary of State for Air, 1931-June 1935.

⁷ Not found, but see Geyr von Schweppenburg: *Erinnerungen eines Militärattachés* (Stuttgart, 1949), pp. 55-56.

Air Chief Marshal Sir E. L. Ellington, Chief of Air Staff, and another member of his staff who was taking notes. At the end he replied in a few general phrases about the job of military experts and of politicians. On the matter itself he only said briefly that, naturally, Russia could in the same way raise the subject of her own misgivings about a German threat from the air. To this I replied that surely Russia's vulnerability could not be compared with that of Germany.

The Chief of Air Staff intervened in the discussion only to point out that they [the British] might just as well voice similar misgivings concerning India in respect of [threats from] Persia. In reply I said that to my knowledge all precautions for such an eventuality had been taken in the Middle East and preparations had been made for moving air forces.

He then asked for further details about the Red air force.

I then asked Lord Londonderry if *not* as the British Air Minister but as an expert and fair arbitrator, he could not, on the strength of what I had said, tell me, whether, in view of this state of affairs, Germany had, in his opinion, more grounds for concern over the Russian air danger from Czechoslovakia than had Britain over the German air rearmament about which so many alarming reports were appearing in British newspapers. Lord Londonderry evaded this question and said that he was not entitled to reply either as a politician or as an expert.

The discussion was held in the usual atmosphere of cool objectivity in which such conversations are conducted in Britain, but Lord Londonderry's manner was consistently pleasant and courteous.

FRHR. V. GEYR
Colonel

No. 11

7467/H182298-301

The Ambassador in Poland to the Foreign Ministry

Telegram

URGENT

No. 21 of April 4

WARSAW, April 5, 1935—2:25 a.m.

Received April 5—6:35 a.m.

II Abr. 777.

M. Beck received me today to tell me about Eden's visit¹ and he asked me to pass this information on to Herr von Neurath. He began by saying that he was satisfied with the outcome of the conversation. He considered it was a very good thing that the British Government should take an interest in East European matters and he thought it would be important to keep in being the contact which had now been established.

¹ See document No. 8, footnote 1.

He said that the conversations with Eden had dealt primarily with Eastern Pact problems. He had begun by giving Eden a review of the developments of the last ten years and he had pointed out that, precisely at that point which had been generally and for many years considered as one of especial danger, something had been created quite spontaneously which could never have been brought about by pacts and peace organizations. It had given him great pleasure to point to the happy results which had been achieved here in relations both with Russia² and, more particularly, with Germany,³ by bilateral treaties. He had further stressed that for this reason the Polish Government were in principle opposed to multilateral treaties. He had, however, at the same time made it clear that he would be prepared, in certain circumstances, to cooperate in multilateral pacts and to examine projects to this end. Such examination would, however, only be undertaken on the condition that the happy results now achieved must not be prejudiced either directly or indirectly. Mr. Eden had, he was happy to say, shown great understanding for the Polish point of view, nor had he tried to get the Polish Government to change their minds or to make sacrifices in the interests of peace. It could already be stated now that the former Eastern Pact no longer existed. The i's had been dotted and the t's crossed in Warsaw. He was able to tell me in strict confidence that Eden, too, had shown quite clearly that he doubted the usefulness of an Eastern Pact.

They had so far not spoken about a new project. It was indeed his impression that so far no new proposals had been made. Our project⁴ had, as Eden had told him, been rejected by the Russians, who, to his disappointment, had themselves made no compromise proposal and had in fact shown little initiative. Eden had gained the impression that the Russians would definitely insist on *assistance mutuelle*.

Eden had not been very optimistic about the possibility of arriving at a compromise proposal. He had repeatedly stressed the exploratory nature of his journey and had pointed out that only the British Cabinet could take decisions.

Speaking next of the impressions Eden had gained in Moscow, M. Beck said that the Russians had clearly managed very cleverly to represent themselves as "radical" friends of peace. M. Beck confirmed the view already expressed by M. Szembek⁵ that the British underestimated the Russian threat. Also, it was clear that Asiatic

² The reference is to the Russo-Polish Pact of Non-Aggression, signed at Moscow on July 25, 1932, and the Russo-Polish Convention of Conciliation, signed at Moscow on Nov. 23, 1932; for the texts see League of Nations: *Treaty Series*, vol. CXXXVI, pp. 41-51 and 55-71.

³ The reference is to the German-Polish Agreement of Jan. 26, 1934; for the text see vol. II of this Series, document No. 219.

⁴ See vol. III of this Series, document No. 564, enclosure.

⁵ See document No. 8.

questions had played a considerable part in the Moscow conversations. The Russians had apparently been trying to reconcile divergent interests in the Far East and had been at pains to win Britain over by making certain concessions.

Regarding Laval's visit to Warsaw, M. Beck referred to my yesterday's conversation with M. Szembek⁵ and remarked that this visit would after all be quite useful. It was not yet clear what aims Laval was pursuing. He might perhaps even bring up again the old Eastern Pact idea and exert a certain amount of pressure on Poland. Beck assured me that he would say the same to Laval as he had to Eden.

In view of the difficulties in creating any kind of system of peace for the East, he considered it quite conceivable that ultimately the creation of a Franco-Czecho-Russian military alliance would be attempted. That the Russians wished this was self-understood. But Laval would assuredly ponder such a step at length, the more so since the British aversion to such an alliance had in no way decreased and since Italy, too, was consistently opposed to it. He himself could not understand what use such an alliance could be, nor would he fail to state this view to M. Laval.

With regard to the future development of the whole complex of questions, M. Beck remarked that, judging by what he had heard, no decisions would be taken at Stresa.⁶ It could not yet be foreseen in what context further conferences might take place. M. Beck once more expressed himself in highly derogatory terms about the convening of the League of Nations.⁷ He had made similar remarks to Mr. Eden. It had not yet been decided whether he himself was to go to Geneva.

The disarmament question had only been briefly touched upon. He had once again ascertained that Britain had been profoundly impressed by Germany's rearmament and by her refusal to alter the Defence Law.

Finally M. Beck once again emphasized that he was satisfied with the outcome of Mr. Eden's visit. Both Britain and Poland based themselves on realities. As a result it had been easy to find a common language. He hoped that the contact which had now been established with the British Government would prove useful in the face of unrealistic aspirations.

The British Chargé d'Affaires⁸ here has indicated, with regard to the impression which Eden gained in Warsaw, that Eden had not been expecting so unresponsive an attitude on the part of Poland, but that, rather, he had hoped to find here an attitude which might have enabled him to find a way out of the difficulties. He had, however,

⁵ See document No. 5, footnote 5.

⁷ See Editor's Note, p. 65.

⁸ A. F. Aveling.

come to appreciate the Polish point of view in the course of the conversations. M. Beck has obviously managed to make convincingly clear Poland's special situation resulting from her geographical position.

A report follows.⁹

MOLTKE¹⁰

⁹ There were in fact two reports, A 38 of Apr. 4 (7467/H182321-27) and A 39 of Apr. 6 (7467/H182335-39).

¹⁰ Another copy of the document here printed (3252/712066-69) is marked "The Chancellor is informed. L[ammers], Apr. 11."

No. 12

2368/494102-03

*Unsigned Draft*¹

DRAFT FOR A LETTER FROM THE REICH FOREIGN MINISTER TO THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, SIR JOHN SIMON.

YOUR EXCELLENCY: I have the honour to inform you of the following:

Our Ambassador in London, Herr von Hoesch, has reported to me² that, in the course of a discussion which he had the honour to have with you, you mentioned the Berlin discussions and said amongst other things that you and Mr. Eden had gained the impression that the Reich Government were indeed much concerned with the Russian problem. You said that when, for instance, you referred to the Rosenberg plans for the East, and mentioned the idea of returning the Corridor in exchange for the cession of the Ukraine to Poland, you had not received any clear answer either from the Reich Chancellor or from myself.

I am sure your Excellency will bear with me if I direct your attention to this matter, since it is quite clear that there must be a misunderstanding. I must point out that:

1. There was definitely no mention either of the Polish Corridor or of the Ukraine during the two days' discussions. My memory of this matter is confirmed both by the other gentlemen who were present during the conversations and by the minutes which make no mention of any such statement, and

¹ This document is undated and unsigned. A marginal note reads: "v. Ribbentrop. To be filed [in the] R[eich] M[inister] files]. Ko[tze], [Apr.] 5." The provenance of this document is not certain, but it would appear that its author was Ribbentrop. The first page has been scored through in green crayon, such being the Foreign Minister's colour. No evidence of the despatch of any such letter has been found, but it would appear that during his stay in Berlin, Apr. 1-7, 1935, Hoesch was given oral instructions on language to be held with Simon; see document No. 17.

² See vol. III of this Series, document No. 567. For the discussions in Berlin see *ibid.*, documents Nos. 555 and 564.

2. There has never been any exchange of views whatsoever between Germany and Poland in this matter.

I should be most grateful if your Excellency would also explain these facts to Mr. Eden in whose mind, according to the remark you made to Herr v. Hoesch, this misunderstanding seems also to exist.

Unfortunately the idea that we discussed territorial revisions in Europe during our Berlin conversations has also taken root in the world press. Thus, for example, the *Daily Telegraph* a few days ago³ asserted that the Reich Chancellor had demanded the return of the Polish Corridor, the incorporation in Germany of the German-speaking part of Czechoslovakia and the *Anschluss* of Austria with Germany. In order to refute such reports in advance, the Reich Government's Special Commissioner for Disarmament Questions, Herr von Ribbentrop, requested your Ambassador in Berlin, Sir Eric Phipps, to cause the *Daily Telegraph* to publish a correction.⁴ Sir Eric Phipps, who himself criticized the intrigues of these newspapers very sharply, kindly agreed to make appropriate representations to you at once. Nevertheless, I am informed that no correction has appeared in this newspaper, which, in view of the close connection which I know the paper has with leading political circles in London, I greatly regret.

In view of the atmosphere of cordiality and mutual confidence in which our discussions here took place, and impelled by the desire to remove any obstacle—and particularly misunderstandings of this kind—which might stand in the way of our common aim of international cooperation and the pacification of Europe, I have taken the liberty of bringing these facts to your Excellency's attention.

I avail etc.

³ The reference is to an article published on Mar. 27, 1935.

⁴ No record of such a conversation has been found.

No. 13

3015/596600

Memorandum by the Foreign Minister

BERLIN, April 5, 1935.

RM 307.

The Latvian Minister visited me today and asked me whether, after the Kovno verdict,¹ our moderate attitude towards Lithuania would change. His Government were very anxious lest German-Lithuanian relations should be further exacerbated.

I told M. Kreewinš that we had shown unprecedented patience in

¹ i.e., the sentences passed on Mar. 26 on certain of the leaders of the two pro-National Socialist parties active in Memel. See also vol. III of this Series, documents No. 312, footnote 2, No. 341, footnote 1, and No. 555, footnote 28. For an account of the trial and its background see *Survey of International Affairs 1935* (London, 1936), vol. I, chapter VII, section (C).

the face of Lithuania's provocative behaviour.² We were still prepared to avoid increasing the strain on German-Lithuanian relations provided that Lithuania put an end to her campaign against the Germans in Memel. I had one thing more to say: Recently there had been rumours that Lithuania wanted to propose in Geneva that the Memel Statute³ be amended and full sovereignty over the Memel Territory transferred to Lithuania. We could in no circumstances passively accept such a development, and, in view of the close relations between the Latvian Government and Kovno, I would suggest that they use their influence on the Lithuanian Government to cause the latter to abandon any plans for amending the Memel Statute.

V. N[EURATH]

² There is in the files a draft telegram to Kovno (9767/E625545-47) prepared by Meyer and Gaus for signature by Neurath, with copies (9767/E625542-44) for Paris, Rome and London. This draft, which included the text of a Note of protest to be communicated to the Lithuanian Government, bears the marginal note "*Cessat*. Discussed with the F[oreign] M[inister]. B[ülow], Mar. 30." The copy for the other capitals, which directed that the text of the Note be brought to the attention of the Governments there, is also marked "*Cessat*".

³ The Convention concerning the Territory of Memel, Annex I of which was the Statute of Memel, was signed at Paris on May 8, 1924. See League of Nations: *Treaty Series*, vol. XXIX, No. 736; see also vol. III of this Series, Editor's Note, p. 137.

No. 14

5562/E396580

Memorandum by the Deputy Director of Department II

BERLIN, April 5, 1935.

e. o. II M 868.

Freiherr von Brandenstein, the Bulgarian Consul General here, who was received by King Boris during his recent visit to Sofia, stated in the course of conversation that the King had told him that he wished to obtain aircraft and material from Germany for the Bulgarian army and had asked him to convey this request to us. Upon his return he had, accordingly, informed the Reichswehr Minister of the King's wish. Upon the Reichswehr Minister reporting to the Führer and Chancellor, the latter had at once agreed to accede to this request.

Freiherr von Brandenstein added that he intended shortly to ask to see the Foreign Minister in order to inform him of the matter.

Enquiries made in the Reichswehr Ministry have confirmed that the Reichswehr Minister has agreed to the deliveries in question. (Information received by Herr von Böckmann.)¹

RENTHE-FINK²

¹ Lt. Col. v. Böckmann of the Foreign Department of the Reichswehr Ministry.

² Marginal notes: (i) "[For the] F[oreign] M[inister]. In view of the nervousness which Bulgaria's (and Hungary's) rearmament has caused their neighbours, it would not be very desirable for us to supply them with 'prohibited' weapons in the near future. B[ülow], Apr. 9." (ii) "Submitted to the Foreign Minister, who has already seen H[err] v. B[randenstein]. Ko[tze], [Apr.] 9." No record of Neurath's conversation with Brandenstein has been found.

No. 15

5892/E433035-39

*The Military Attaché in the Soviet Union to the Reichswehr Ministry
and the Foreign Ministry*

SECRET

Enclosure 1 to Report No. 12

Moscow, April 5, 1935.

[? Received April 8.¹][II M 858.]¹

The protest to the Red Army foreshadowed in report No. 11, enclosure VI, of April 1,² and directed to be made in telegram No. 42 of April 2³ from the Foreign Ministry, concerning the article by the Deputy Commissar for Defence, Tukhachevsky, about the plans for war of present-day Germany, was made by me to the Head of the Foreign Liaison Department of the Red Army Staff, Gekker, simultaneously with the diplomatic *démarche* made by the Ambassador to Foreign Commissar Litvinov, on April 4.⁴ The protest was made on the basis of the following text in German:

"I am charged to express the astonishment of the German Wehrmacht at the statements published in the leading Russian newspapers in the last few days and coming from the pen of the Deputy People's Commissar for Defence, Tukhachevsky, about the alleged military plans of present-day Germany.

"These statements supply an inaccurate picture of the level of armaments of the future German Wehrmacht. They attribute to Germany's military measures aggressive designs which are not entertained either by the political or military leaders of Germany.

"The effect of these statements on the German Wehrmacht was the more unpleasant in that they came from someone of such political and military importance as M. Tukhachevsky and someone so much admired, particularly in Germany. It is impossible that they are based, as they purport to be, on purely official sources."

Gekker, after listening to my protests, began by posing a counter-question as to whether I was making an official diplomatic protest or merely expressing my personal view. According to all precedent, a diplomatic protest could only be made by the Ambassador, and Gekker himself had no authority whatever to accept such a protest; only the Commissar for Defence himself could do this. I pointed out to Gekker that I had deliberately avoided the word "protest" as it was no part of my functions to perform a diplomatic act in *such* a form and further, as I had said at the beginning, our Ambassador was

¹ Taken from the covering note, report No. 12 of Apr. 5 (5892/E433034), under which this and four other enclosures were sent to the Reichswehr Ministry and the Foreign Ministry.

² Not printed (5892/E433018-19); see also document No. 2, footnote 1.

³ Document No. 7.

⁴ Schulenburg reported on his *démarche* in telegram No. 60 of Apr. 4 (7467/H182296).

at that moment speaking formally to the Foreign Commissar about the matter. Nevertheless, it was in no way a question of my personal views on Tukhachevsky's article. I repeated to Gekker that I was speaking on express instructions from the German Wehrmacht, and that, further, I had confined myself to expressing only the views of the German Wehrmacht on the article.

Gekker remarked that in view of Tukhachevsky's position "the matter was a very serious and unusual one". He asked me "in order to exclude misunderstandings" to repeat the protest, which he took down in shorthand. Gekker then posed the question whether the protest was meant to imply that Tukhachevsky, although he knew better, had deliberately given an inaccurate representation of Germany's military position and intentions. To this I replied that Tukhachevsky had only indicated a very few of his sources and those not official ones, and that I could not tell what was in Tukhachevsky's mind. But the objective picture was in fact totally inaccurate and the German Wehrmacht might well have assumed that the leaders of the Red Army could have gained a more accurate picture of the previous basis of the Reichswehr and its present expansion, not only by means of the frank insight [*Einblick*] which had hitherto been accorded to Soviet Russian official representatives in Berlin and to a large number of the highest and most important members of the Red Army on the occasion of their previous official visits to Germany, but also very recently from statements that the Führer had made to the representatives of the British Government.⁵ Gekker said that the best way of correcting the picture drawn by Tukhachevsky would be for him to be provided with the requisite data from official German quarters. Naturally I did not follow up this suggestion.

In the conversation which ensued, I also pointed out to Gekker that it was precisely the Commanders of the Red Army who formerly, in comradely talks with German officers, and misunderstanding our position at that time, had always advocated the view that Germany had only to disregard the military provisions of the Treaty of Versailles in order to rise once more. But on previous occasions this attitude had always been reversed when any increase of the German Wehrmacht had been undertaken. Gekker, for his part, emphasized that Tukhachevsky's article had caused no surprise amongst the Red Army, but on the contrary represented the views generally held there, which were based on announcements and assessments in the foreign and German press, in publications and amongst the public.

I may summarize the course of my conversation of over two hours as follows:

(a) The view that German rearmament is being carried out solely

⁵ During the visit to Berlin of Simon and Eden, Mar. 24-26, 1935; see vol. III of this Series, documents Nos. 555 and 564.

for the purpose of making war and in particular against the Soviet Union, is uncommonly firmly embedded in all military minds. To what extent this represents their own views, or is the result of suggestion from abroad, is an open question. This view is constantly being reinforced by the political leaders and the party press and cannot be dispelled by any dialectics.

(b) The hysterical fear of the immediate threat of a German attack, which, hitherto felt only by the French, is now felt by the Soviet Russians also, entailing the distortion and exaggeration of all German potentials, is the expression of a feeling of weakness.

(c) The Soviet Union's policy of peace and security is based on the recognition that, except in the air, they are not yet capable of attack. Neither do the Soviet Union wish to have their military defence capacities, which certainly exist, put to the test. The Soviet Union desire peace because they need it for the further strengthening of the régime, for internal development, where there is so much still to be done, and for the better organization of territorial defence, particularly in the spheres of the armaments industry and transport.

HARTMANN

No. 16

6695/H107577-78

The Minister in Estonia to the Foreign Ministry

Telegram

No. 9 of April 7

TALLINN, April 7, 1935—2:52 p.m.

Received April 7—5:00 p.m.

IV Ru. 1337.

I am informed in strict confidence by the Foreign Minister that, on April 6, the Russian Minister¹ here made a fresh *démarche* on the Eastern Pact question, on special instructions from Litvinov. The Minister stated that Litvinov intended to take steps to get France, too, to guarantee the independence and territorial integrity of the Baltic States in the proposed treaty. Litvinov requested a statement as to whether Estonia would be prepared to accede to the Pact once it had been improved by the addition of the French guarantee, even if Poland and Germany did not take part in it. As he was leaving for Geneva, Litvinov wanted to have the Estonian reply by April 9.

Seljamaa told the Minister in reply that he would submit the Russian enquiry to the Cabinet. Without prejudice to the Cabinet's decision, however, he must at once point out that, quite apart from the question of Polish and German participation, the Estonian Government were not in possession of the details, and there were still serious objections to the mutual aid which might be called for.

¹ A. M. Ustinov.

The Foreign Minister evinced grave displeasure over this fresh Russian attempt to force Estonia to take a decision, and that by means of what almost amounted to an ultimatum. Munters, with whom a similar *démarche* had been made, had also expressed considerable annoyance in a telephone conversation with Tallinn. I gained the impression from my conversation with Seljamaa that the Estonian Government will instinctively avoid giving a definite statement of their views, or will at least put off doing so until after the Stresa Conference and the extraordinary session of the Council of the League of Nations have taken place. The question of whether joint action with Lithuania will be possible is one which is causing particular anxiety here. I shall report on the Estonian reply, of which Seljamaa promised to inform me, by telegram.²

REINEBECK

² In telegram No. 10 of Apr. 9 (6695/H102597-98), Reinebeck reported that Seljamaa had told him that it had been decided to inform the Russian Minister that Estonia would have to consult with Latvia and Lithuania before a reply could be given to Russia. In telegram No. 16 of Apr. 14 (6695/H102639), Zechlin reported from Kovno: "I have received the following additional confidential information in connection with the Russian *démarche* of Apr. 6, made simultaneously in Tallinn, Riga and Kovno: The object of the Russian *démarche* was to request the Baltic States officially to state their views on an Eastern Pact without Germany and Poland. Lithuania has said she can only give an official reply after previous consultation with Latvia and Estonia, and after a resolution by the Conference of Foreign Ministers at Kovno on May 6, but has indicated that she would adhere to an Eastern Pact even if it did not include Germany and Poland, provided *assistance mutuelle* also applied against non-participants in the Pact.

"Latvia, on the other hand, as I was told, emphasized that Latvian public opinion would understand measures against Germany, as a possible aggressor, but not against Poland. Poland should therefore belong to the Eastern Pact. Latvia therefore gave Russia at least a partially negative reply, without previous consultation with Estonia and Lithuania, which caused great annoyance in Moscow and Kovno.

"The new Franco-Russian understanding is warmly welcomed here."

No. 17

7467/H182357-59

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 98 of April 8

LONDON, April 8, 1935—11:09 p.m.

Received April 9—2:35 a.m.

II Abr. 829.

I have just spoken to Sir John Simon, as instructed,¹ about the discussion of the Rosenberg idea during the Berlin conversations. We began by agreeing that, in the course of the discussions, Eden had merely referred to Rosenberg's ideas in general, without going into details, as a disturbing factor, and that the Reich Chancellor and the Foreign Minister had met these remarks with laughter. I then

¹ No record of such instructions has been found; see, however, document No. 12 and footnote 1 thereto.

added that their laughter indicated that the Reich Government did not take such ideas seriously and considered them Utopian. No exchange of views on such questions had ever taken place between the Reich Government and Poland.

Sir John remarked that this shed a welcome light on a point which might have given rise to doubts. He enquired whether he could regard my statement as supplementing the Berlin conversations, to which I replied in the affirmative.

The conversation then turned to the forthcoming Stresa Conference which MacDonald is now to attend. Sir John said that at this conference the British intended to continue to strive for general European understanding; he stated that he was not yet informed in detail of the French and Italian plans. The British representatives at Stresa would give an overall account of the impressions which he and Eden had gained on their exploratory journeys.² In so doing, he [Simon] would of course treat the German point of view with the respect it deserved and would also stress its positive aspects.

Where the Eastern Pact itself was concerned, he wished to ask me another question. The Reich Chancellor had said he was prepared to take part in a multilateral Eastern Pact which would include a non-aggression obligation, an agreement to consult and an undertaking not to support an aggressor, but at the same time he had stressed the difficulty of determining the aggressor and had given historical reasons to support his point. He [Simon] feared that those attending the Stresa Conference would not consider that a pact of that nature afforded sufficient security (though he himself by no means underestimated its importance) and that they would bring forward the well-known idea that those parties to the Pact who felt the need for greater security should be entitled to lay down, at any rate amongst themselves, an undertaking to render assistance in the event of an attack. But at the discussion the Reich Chancellor had described such a solution as "objectionable"³ and had thus made it clear that he would oppose it. He [Simon] wondered, however, whether there were not perhaps a possibility that the Reich Government, even though they considered a development of this kind objectionable, might nevertheless be prepared, whilst stating their objections, not to withhold their support from such a treaty, in order to avoid even more unpleasant developments.

I replied that if France and Russia insisted on mutual assistance

² In addition to Simon's and Eden's joint visit to Berlin on Mar. 24-26, 1935 (see vol. III of this Series, documents Nos. 555 and 564), Eden met Laval and Suvich in Paris on Mar. 23 (see *ibid.*, document No. 559, footnotes 1 and 3), and visited Moscow Mar. 28-31, Warsaw Apr. 1-3 (see this volume, documents Nos. 8 and 11), and Prague on Apr. 4. The German Ambassador in Moscow reported on Eden's visit there in telegram No. 55 of Mar. 31 (7467/H182243) and the Minister in Prague in despatch A III 1 of Apr. 5 (7467/H182351-53).

³ In English in the original.

agreements whilst other signatories to the Pact rejected them, then the two countries' desire for an alliance would become very obvious and Germany would certainly not be prepared to countenance and legalize, as it were, a Franco-Russian alliance of this kind by supporting the Pact.

Sir John, who, incidentally, accepts and sympathizes with our refusal to undertake *for our part* to render assistance, seemed disappointed when I confirmed that we also disapprove of the inclusion of special obligations to render aid, and expressed the vague hope that the Reich Government might nevertheless reconsider the matter, though I did not abandon my point of view. He obviously expects there to be a dispute about this point at Stresa and fears that this might lead to that *rapprochement* between France, Russia and Czechoslovakia of which Britain disapproves.⁴

HOESCH

⁴ Another copy (3242/712063-65) of the document here printed is marked: "The Chancellor is informed. L[ammers], Apr. 11."

No. 18

8595/H603535-43

The Ambassador in the United States to the Foreign Ministry

CONFIDENTIAL
No. 629

WASHINGTON, April 8, 1935.
Received April 24.
III A 1180.

Subject: The United States and the political events in Europe.

The American public has been following political events and diplomatic discussions in Europe during recent weeks with increased attention. In fact, interest in foreign affairs is entirely focused on these matters. All other world problems are almost entirely overshadowed by them. The reason is doubtless to be sought in the fact that all the events which have recently occurred in Europe are being presented by the American press in its own peculiar manner and are being compared to the events of the decade 1904-1914, which, in the end, led to the World War. The question whether there will be war in Europe in the near future is not merely one of the main subjects discussed in the daily press; it has recently also become the subject of daily conversation. This question is on everyone's lips. It reflects the great and widespread anxiety over disagreements in Europe, and the fear that the United States might again, as in 1917, be drawn into armed conflict abroad. It is for this reason that all news from Europe has recently been followed with so much attention.

People are above all concerned with German policy. Their attitude

towards it is still extremely unfriendly, although it must not be overlooked that comments have become more moderate and less agitated in tone. An increasing sympathy for Germany's cause as such can even be detected. Germany's demand for equality of status is regarded as just and as deriving from her sovereignty. She has, it is considered, been treated unjustly and unfairly for too long. The Versailles Treaty is held to be to blame for all political and economic ills. Its revision and replacement by a proper Peace Treaty is thought urgently necessary. The view is also expressed that a Germany armed and of equal status would constitute a less disturbing element, especially as the reintroduction of conscription,¹ apart from restoring Germany's prestige, should also contribute to a revival of her economy and to an easing of the labour market.

All those elements which go to make up public opinion and which tend to favour our case as such are, however, outweighed by the predominantly hostile attitude towards the New Germany which has become established here, especially in the press. This is being constantly disseminated by the press, in which everything that Germany does or that happens in Germany is carped at, treated with suspicion, and denigrated. This attitude is fed by hostile propaganda, only too familiar to us, and of which there has recently been a resurgence. Its work has been facilitated by the fact that no detailed official commentaries about the Berlin conversations² were cabled here by American correspondents, and that, instead, numerous reports were circulated about all kinds of demands that we were alleged to have made. There were reports, for example, that we had not only demanded a large fleet, the largest air force and the fortification of the Rhineland zone, or that we had announced these items as being steps which we were intending to take in the near future, but that we had also made territorial demands, among others, the return of the Corridor and the colonies, a plebiscite in Austria, and the cession of the German areas of Czechoslovakia. At the same time, intrigues in Abyssinia were attributed to us, and various events such as the allegedly engineered demonstrations of protest against Lithuania,³ the speeches by Ministers in Danzig,⁴ the air manœuvres⁵ and the honours to Ludendorff⁶ were represented in such a way as inevitably to give rise to the impression that our rearmament was due to nothing

¹ On Mar. 16, 1935; see vol. III of this Series, documents Nos. 532 and 538.

² i.e., the Simon-Eden conversations, held Mar. 24-26; see vol. III of this Series, documents Nos. 555 and 564.

³ On Mar. 27 demonstrations of protest against the verdicts in the trial at Kovno of several leaders of pro-National Socialist parties in the Memel Territory (see document No. 13) were held in Berlin.

⁴ The reference is to speeches made in Danzig by Göring, Hess and Goebbels on Apr. 4, 5 and 6 respectively, on the eve of the elections held in Danzig on Apr. 7.

⁵ See vol. III of this Series, document No. 545 and footnote 8 thereto.

⁶ The reference is to the tributes it was planned to pay General Ludendorff on the occasion of his seventieth birthday on Apr. 9.

other than a new German imperialism. Reports about German purchases of war material in every part of Europe were used to strengthen this impression still further. Similarly, news about secret agreements between Germany and Japan, who is hated here, played its part. It was impossible to make much impression against this onslaught with the *démentis* published by us but for the most part issued very late, more especially since no credence was given to the correction made by the Embassy in London⁷ of the statement to the press. In consequence of all this, sympathy for our release from the armaments clauses of the Versailles Treaty has unfortunately ebbed again. Even circles well disposed towards us are at a loss. Nobody knows what we really want; everybody is continually asking what our intentions are.

A factor in our favour is that there is not much sympathy for the Allies, apart from Britain. The failure to pay war debts is not forgotten; nor is the fact that it has been French policy in particular which in the last few years has constantly obstructed the United States. French chauvinism is distrusted, Italy is despised, and there is annoyance with Russia, not only because of the fiasco of Russian-American trade relations but also because of her turning her back on the Far East; Germany, however, is also blamed for this. The policy of alliances pursued by these countries is condemned, and it is asserted in some circles that they do not really want an understanding with Germany, especially after the disappointment which has become apparent in Paris, Rome and Moscow over the fact that the Berlin discussions have not, after all, proved to be the complete failure that was hoped for. Britain's conciliatory policy, on the other hand, and her efforts to find a compromise solution, evoke praise everywhere. It is hoped that Britain will achieve success in establishing a system of collective security, and there is only regret that she is being prevented from so doing not only by the Allies but also by Germany's attitude. We ought not, it is being said, to make things so difficult for London or constantly to play into the hands of our opponents; we ought not to want to have too much at once or to have everything too quickly; we are thereby overshooting the mark and only making it possible for our opponents now to say that the fears they harbour concerning our alleged expansionist aspirations are justified. We surely ought to cooperate in some way and thus show others that there is nothing to fear.

Government circles in Washington are in a state of extreme depression and annoyance over the worsening political situation in Europe. Animosity is primarily directed against us, especially in the State Department. American foreign policy, they hold, advocates the notion of disarmament, the idea of good neighbourliness and the

⁷ See vol. III of this Series, document No. 567 and footnote 3 thereto.

principle of adhering to treaties, because only thus is it thought possible to achieve the recovery of world economy and hence of their own economy. We have acted, they say, contrary to all three principles and thus considerably obstructed American economic and foreign policy. There is no sympathy for expenditure on armaments as long as foreign debts remain unpaid. They show no understanding for the fact that, all direct plans for disarmament having failed, the state of political equilibrium, which means confidence and thus economic recovery, can only be achieved along the path of equality of armaments which we are treading. We are being accused of having, by our policy, procured a free hand in the Far East for Japan, and with having, by our demand for a larger fleet, thrown the quota system overboard. One school of thought in the State Department, I hear, is said even to have advocated cooperation with the Allies for the maintenance of peace. The chief advocate of this policy is said to be Norman Davies.⁸ The President, however, impressed by the mood of public opinion and Congress, is said to have expressed himself as being opposed to this school of thought. Eventually, therefore, they contented themselves with the familiar statement to the press,⁹ which was issued partly with an eye on Japan, and are now advocating a policy of strict isolation *vis-à-vis* Europe.

The attitude of Congress, which entirely rejects all "entanglements",¹⁰ has won for the time being. Both Houses of Congress emphatically reject any intervention in European affairs. The experiences of 1917 are just as vivid there and among the people as is the disappointment about the failure to pay war debts. On the contrary, laws are actively being drafted which are intended to make it impossible for the country to be drawn into war. According to these plans, it is intended not only that trade in war materials, loans to belligerents and visits to war zones shall be forbidden, but also that all war profits shall be made impossible and a new policy of neutrality shall be created.

The assessment of future developments in Europe is extremely pessimistic. Better informed circles do not, indeed, believe there will be a preventive war, despite the sharp language that emanates from Paris, Rome and Moscow. Nevertheless, it is feared that Britain will not succeed in bringing about an agreement between Germany and the other Powers. It is believed, instead, that the pre-war system of alliances will be set up again and will lead to a general armaments race and eventually to war. Germany would be completely isolated and would face a united front. She would even become estranged from

⁸ Chairman of the American Delegation to the Disarmament Conference in Geneva.

⁹ A reference to Hull's statement at a press conference on Mar. 22, an extract of which is printed in *Foreign Relations of the United States, 1935* (Washington, Government Printing Office, 1952), vol. II, pp. 311-312.

¹⁰ In English in the original.

Poland, and Great Britain, even if she were to try to hold the "balance of power"¹⁰, would not be able to stay out of the war with Germany which, after all, is bound to come. However justified Germany may be in struggling for the natural rights that are being withheld from her, her military demands would be disputed by the other Powers as heralding territorial expansion. Thus the mood that strongly prevails not only in the Government but also in the country is that, although they appreciate the German-cause, people think that they should lay the blame for recent developments on Germany.

In what direction American policy will eventually move cannot be determined at present. Great Britain, whose policy, so our experience has shown us, is only too readily followed, is anxiously being watched. For the present, in view of the prevailing trend in the whole country against interference in European affairs, any political engagement in Europe is out of the question. From a quarter which is well disposed towards us, however, we have already been warned that we ought not to be unduly deceived by these facts. Attitudes could change here overnight. It was exactly the same in the World War. It could easily happen again if, for example, Japan were to exploit the tense situation in Europe in order to renew her action in the Far East. Opinion here could then easily swing round and be won over for united action in Europe, already advocated, as mentioned before, by powerful forces in authoritative quarters. Doubts are also being expressed as to whether the American Government would succeed, especially in view of the continuing depression, in resisting the pressure for participation by American business interests in the promising business of supplying the Allies.

To sum up, it must therefore be said that, in view of the widespread anti-German feeling and of the Government's intense annoyance on the score of our economic and financial policies, one must not overlook the possibility that the immeasurable economic forces of this continent—one need think only of the tremendous power of the American gold reserves—might, as once before, be used against us. Whether this might not even happen in the event of the European Powers taking economic measures, about which there is already speculation here, must as yet be answered in the negative, though it is naturally more likely that the general boycott situation will have repercussions. Prospects of again achieving tolerable economic relations with the United States¹¹ may well have deteriorated considerably in view of the recent political developments as seen from here.

LUTHER

¹¹ See vol. III of this Series, document No. 389 and footnote 2 thereto, also *Foreign Relations of the United States, 1934* (Washington, Government Printing Office, 1951), vol. II, pp. 420-469 and *ibid.*, 1935, vol. II, pp. 438-442.

No. 19

3154/671170

*Memorandum by the Foreign Minister*BERLIN, April 9, 1935.
RM 320.

First, a correction of the communication of April 6¹ from the Chief of the Naval Command:

During the discussion on the naval question, in the course of the Anglo-German conversations, Sir John Simon put to the Reich Chancellor the question as to whether we were prepared to send a delegation to London for preliminary conversations. The Chancellor agreed to such preliminary Anglo-German conversations. With regard to the Naval Conference in the autumn of 1935, Sir John Simon stated that the British Government would welcome German participation. The invitation to participate could not, however, come from the British Government, who would first have to consult on this question with the Powers which had previously taken part in the Naval Conference.

I asked the British Ambassador to call on me today, and agreed with him, as regards the next steps in connection with the preliminary conversations on naval affairs, that either the British Admiralty or the British Government should select a date for the beginning of the conversations and propose it for our consideration. As soon as their proposal reaches us, we will inform the British Government simultaneously of our consent to the opening of the conversations and of the composition of the German Delegation.²

v. N[EURATH]

¹ This communication (7456/H176168) stated that the British Naval Attaché had officially informed Bürkner, on Apr. 5, that a British invitation to the Naval Conference had been extended during the conversation between Simon, Eden and Hitler (see vol. III of this Series, document No. 555); the Foreign Ministry was asked to have this information confirmed by the British Embassy.

² Bülow informed the Naval Command of the substance of the document here printed in a communication dated Apr. 10 (7456/H176170-71).

No. 20

9375/E664232-33

*Memorandum by the Director of Department IV*BERLIN, April 9, 1935.
e.o. W IV Ru. 1414.

After lengthy negotiations¹ between the Reich Minister of Economics, Dr. Schacht, and the Trade Delegate of the Soviet Union, M.

¹ For these negotiations see vol. III of this Series.

Kandelaki, an agreement has been signed today placing German-Soviet economic relations on a new basis. The main points of the agreement are as follows:

(1) Russian payments, amounting to 200 million RM, still outstanding after April 1, 1935, will be covered by

(a) gold and foreign exchange to the extent of 100 million RM,

(b) goods to the value of 100 million RM.

Agreement has been reached with the Soviet Union as to the types and amounts of goods; in particular the supply of a sufficient amount of the raw materials important for Germany (naphtha, timber, manganese ores, furs, etc.).

(2) The Soviet Government have undertaken to place current orders with German firms to the extent of 60 million RM, with the normal period of credit (eighteen months), before the end of 1935. The current orders also include the chartering of German shipping space and payment of freights.

(3) The Soviet Government have also undertaken to place with German industrial firms additional orders to the extent of 200 million RM. For the purpose of these orders, the Trade Delegation of the USSR will have made available to them by a German banking consortium a credit with a duration of five years. This credit is secured on bills of exchange, and interest will be paid on it by the Trade Delegation at 2 per cent over the Reichsbank discount rate. This credit will enable the Trade Delegation to pay the German firms immediately in cash.

(4) The Soviet Government have undertaken to offset the losses incurred in Russian trading by German firms in consequence of the devaluation of the English pound and the American dollar by payment of a lump sum of 8½ million RM.

(5) The Soviet Government have undertaken to transfer at once to Germany the sum of 100,000 gold roubles = 216,000 RM from the realization of the assets of Reich Germans emigrating from the Soviet Union before the date of the conclusion of the treaty (April 9).

MEYER

No. 21

5644/H001120-27; 42-48; 51-52

Final Protocol on the German-Soviet Economic Discussions of April 9, 1935

I. The following treaties¹ were signed and exchanged:

1. Treaty on the settlement of Soviet liabilities, on Soviet imports into Germany, and on the current orders placed by the USSR in Germany.

2. Treaty on additional orders placed by the USSR in Germany.

¹ Enclosures 1 and 2.

II. The following letters, of which copies are attached,² have been signed and exchanged:

1. Letter from the Reich Minister of Economics to the Soviet Trade Delegation in Germany concerning the settlement of claims which have arisen as the result of the devaluation of the pound sterling and the American dollar.

2. Letter in reply from the Soviet Trade Delegation in Germany to the Reich Minister of Economics.

3. Letter from the Reich Minister of Economics to the Soviet Trade Delegation in Germany concerning assistance in the placing of orders.

4. Letter from the Reich Minister of Economics to the Soviet Trade Delegation in Germany concerning the Reich guarantee.

BERLIN, April 9, 1935.

Signed: DR. HJALMAR SCHACHT

Signed: D. KANDELAKI

[Enclosure 1]

Negotiations about the methods of payment and the export of goods from the USSR to Germany have taken place between the Reich Government, represented by the Reich Minister of Economics, and the Government of the Union of Soviet Socialist Republics, represented by the Trade Delegate of the USSR in Germany, and have resulted in the following agreement:

I

The liabilities incurred by the USSR in Germany and falling due in the current year, 1935, shall be discharged in the following manner:

1. The USSR shall pay 100 million RM in gold or foreign exchange during the current year.

2. The remaining liabilities, amounting roughly to another 100 million RM, shall be offset by deliveries of goods. The following method will be adopted:

(a) The USSR shall export certain commodities to Germany up to a value of 40 million RM. These commodities are specified in a list attached as Annex 1.

(b) Under Article IV of this agreement, the balance of 60 million RM shall, similarly, be met by delivery of Soviet goods. The goods which the USSR will export under that Article appear in the list attached as Annex 2.

The Trade Delegation reserve the right, within the limits of the totals given in the lists contained in Annexes 1 and 2, to increase or reduce the listed amounts allocated for each category of goods by up to 10 per cent.

² Items 1, 3 and 4 form enclosures 3-5; item 2, which repeated and confirmed item 1, is not printed (5644/H001149-50).

II

When granting foreign exchange permits³ for the imports referred to in Article I, the following procedure shall be adopted:

1. The Reich Government undertake immediately and unconditionally to grant foreign exchange permits for import transactions concluded by the Trade Delegation or the Soviet Export Organization with German importers before February 15, 1935.⁴ The total of these import transactions is shown in the attached list (Annex 3)⁵ in terms of goods and of values.

2. Apart from this, the competent foreign exchange authorities shall issue the requisite foreign exchange permits in accordance with the general regulations.

III

The total proceeds accruing from the import transactions governed by this agreement shall be placed freely at the disposal of the Trade Delegation for use inside Germany to the same extent and in the same manner as was the case under the Reichsmark Agreement which expired on February 15, 1935.⁶

Subject to this right of free disposal by the Trade Delegation are also sums, up to 6 million RM, paid to the Trade Delegation by German firms or authorities under agreements in respect of completed transactions. Should these 6 million RM have been exhausted by the Trade Delegation before the end of 1935, the German party to this agreement is willing to enter into fresh negotiations with the Trade Delegation with a view to increasing this sum.

It is agreed that only such goods shall be included in the quotas cited in Article I, 2 (a) and (b) as are imported into Germany direct by the Soviet Trade Delegation or the other export organizations of the USSR, and for which a special certificate of the Soviet Trade Delegation in Germany is available.

Goods re-exported by the Soviet Trade Delegation to Germany from the countries of origin, Afghanistan, Iran, Mongolia, North and West China, shall, in this respect, be treated as Soviet goods.

The Reich Government state that sales by the USSR completed in Germany up to February 25, 1935, as also the 15 million RM already released under special agreements (decrees by the Reich Office for Foreign Exchange Control of March 11 and 21, 1935, Nos. Dev. B 10156/35 and 11187/35) shall not be included in the quotas referred to above.

³ See vol. III of this Series, documents Nos. 175 and 207.

⁴ The date on which foreign exchange controls had been applied to payments for imports from the Soviet Union; see vol. III of this Series, document No. 494.

⁵ Not printed (5644/H001128-41).

⁶ The Reichsmark Agreement of May 3, 1932 (9530/E672064-67), had been extended on Mar. 20, 1934; see vol. II of this Series, document No. 342.

IV

The Soviet parties to this agreement expressly state that they are prepared to place *current* orders with German firms. These current orders shall also include the chartering of German shipping space, contracts for freightage and services, and, in particular, for technical assistance. The USSR and their economic organizations will place these current orders within the period from April 1 to December 31, 1935, at the discretion of the Trade Delegation, against cash payments or with the periods of credit specified in the agreement of June 15, 1932;⁷ it is agreed that the value of these orders shall total 60 million RM. These current orders form the pre-condition for the arrangement made under Article I, 2 (b).

The quotation for current orders to be placed under this agreement shall be reasonable.

The Soviet parties to this agreement assent in principle to the prolongation of the agreement of June 15, 1932, for a further year in respect of current orders. In this respect it is agreed that, at variance from the terms of the agreement of June 15, 1932, the rate of interest for the 60 million RM current orders to be placed this year shall be 2 per cent above the Reichsbank discount rate. The orders shall be placed in accordance with the new regulations prescribed in the General Conditions for Delivery,⁸ Agreement on Arbitration and Final Protocol, signed on March 20, 1935,⁹ between the Trade Delegation, on the one hand, and the Russia Committee of German Industry⁹, on the other.

V

On October 1, 1935, a special commission, representing both parties to this agreement, will meet in order to ascertain to what extent the export of Soviet goods to Germany and the orders placed by the Trade Delegation in Germany within the framework of this agreement correspond with the volume agreed upon and, if required, to take the necessary measures.

⁷ Filmed as 9387/E664576-87. See also vol. II of this Series, document No. 119.

⁸ Not printed (9375/E664198-213).

⁹ An affiliate of the Reich Federation of German Industry [*Reichsverband der Deutschen Industrie*].

A copy of a report on the activities of the Committee during 1935 (M236/M007970-72) cites the following letter addressed on Jan. 21, 1935, by Schacht to its chairman: "In order to avoid any ambiguities I am recording the following: The Russia Committee of German Industry is the non-official agency which is responsible, on behalf of the Reich Ministry of Economics and the Foreign Ministry, for the preparatory work on politico-economic questions in relation to the USSR and on general commercial matters connected with trade with the USSR. The Russia Committee is to inform and advise interested industrial circles. In this it has the support of firms interested in trade with the USSR and maintains the necessary liaison with the competent branches of industrial organizations. These have to support the Russia Committee in its work. The Russia Committee is not dependent on any non-official agency."

VI

It is agreed that the most favoured nation rights, mutually conceded in the German-Soviet treaties, are not affected by the present agreement.

BERLIN, April 9, 1935.

Signed: DR. HJALMAR SCHACHT

D. KANDELAKI

ANNEX 1

| | 20 | million RM |
|--|-----|------------|
| Naphtha products | 8 | " " |
| Timber | 4.3 | " " |
| Manganese ore | 1.7 | " " |
| Residues containing precious metals and platinum | 1 | " " |
| Apatite | 3 | " " |
| Flax and hemp | 0.5 | " " |
| Bristles | 1.5 | " " |
| Asbestos | 40 | " " |

ANNEX 2

| | <i>million RM</i> |
|---|-------------------|
| Grain Section: | |
| Fodder lentils, vetches, barley, etc. | 1.025 |
| Prodoexport: | |
| Butter, chickens, preserved eggs, etc. | 1.000 |
| Timber Section: | |
| Sawn timber, pulpwood, long cut wood, pitwood, etc. | 36.800 |
| Promexport: | |
| Chemicals, resin products, textiles, etc. | 1.500 |
| Manganese exports: | |
| Peroxide, magnesite, chromium ores, etc. | 1.100 |
| Rasnoexport: | |
| Bristles, feathers, horsehair, rags, guts, wool, etc. | 8.450 |
| Kustexport: | |
| Carpets, textiles, etc. | 0.350 |
| Ryboexport: | |
| Caviar, tinned foods, tomato paste, etc. | 0.450 |
| Plodoexport: | |
| Apricots, etc. | 0.100 |
| Lektechsyrio: | |
| Medicinal substances | 0.100 |
| Tobacco exports: | 0.425 |
| Furs: | 8.700 |
| Total | 60.000 |

[Enclosure 2]

Negotiations on the placing of additional orders by the Soviet Trade Delegation in Germany have taken place between the Reich Government, represented by the Reich Minister of Economics, and the Government of the Union of Soviet Socialist Republics, and have resulted in the following agreement:

I

The Trade Delegation of the USSR in Germany is prepared to place additional orders, to the value of 200 million RM, with German firms, on condition that the desired goods will be supplied at reasonable prices and conditions of delivery.

The additional orders exclusively comprise capital goods, such as, in particular,

- Factory plant,
- Installations,
- Equipment,
- Machines of all descriptions,
- Constructional apparatus,
- Plant for the naphtha industry,
- Plant for the chemical industry,
- Products of the electrotechnical industry,
- Ships, vehicles, means of transport,
- Measuring instruments,
- Laboratory equipment.

Included in the above are the usual spare parts. Further are included contracts for technical assistance and the putting into working order of installations which may be agreed on in connection with an order placed under this credit agreement.

Not included in the *additional* orders are orders placed under so-called *current* trading. This includes the following items:

- Raw materials,
- Semi-manufactured goods,
- Spare parts,
- Chemical products,
- Consumer goods,
- Articles of daily use.

The Trade Delegation are at liberty to make their own choice of firms when placing orders. In the same way the German firms are at liberty to decide whether, and to what extent, they wish to accept orders under this agreement.

The orders shall be placed between April 1, 1935, and March 31, 1936, the Soviet party to this agreement being agreeable to placing 75 per cent of the orders before December 31, 1935.

The orders shall be placed by the Trade Delegation or by the competent purchasing agencies of the USSR, the Trade Delegation being jointly responsible.

The Reich Government are, as hitherto, willing to give the Trade Delegation all possible assistance in the placing of each order.

II

The Reich Government give notice that a German banking consortium has undertaken *vis-à-vis* the Government to finance the additional orders on the following conditions:

1. The Trade Delegation to deposit bills of exchange with the banking consortium. The bills to run for an average of 5 years and to be drawn separately for each transaction so that

30 per cent run for $4\frac{1}{2}$ years

40 per cent run for 5 „

30 per cent run for $5\frac{1}{2}$ „

The bills of exchange shall be issued by an importing concern of the USSR, shall be accepted by the Trade Delegation, and shall be endorsed by the State Bank of the USSR. The bills shall be made out in Reichsmark and payable in Berlin. All bills will be made out for their full term. The expenses connected with the issuing of the bills will be borne by the Trade Delegation.

2. The interest on the bills of exchange shall be 2 per cent above the Reichsbank discount rate. It will be paid by the Trade Delegation to the banking consortium at the end of each quarter in cash and secured by collateral acceptances.

3. On the basis of the bills of exchange issued by the Trade Delegation, the banking consortium will grant the latter a cash credit designed to enable it to pay the German firms in Reichsmark.

4. The credits placed at the disposal of the Trade Delegation will be transferred to one of the two accounts to be opened on behalf of the Trade Delegation with the Deutsche Bank und Disconto-Gesellschaft and with the Dresdner Bank and will be used, on the instructions of the Trade Delegation stating the date and number of each separate order, to pay German firms for orders placed under this agreement.

III

Contracts between the banking consortium and the Trade Delegation of the USSR, laying down the relevant arrangements, shall be concluded without delay.

IV

Prices for orders to be placed under this agreement shall be reasonable.

V

Orders shall be placed in accordance with the new regulations laid down in the General Conditions of Delivery, Agreement on Arbitration and Final Protocol, signed on March 20, 1935,⁸ between the Trade Delegation, on the one hand, and the Russia Committee of German Industry, on the other.

VI

Under a special agreement the Soviet party shall make available a sum of 7.5 million RM. To make up this sum the Trade Delegation shall pay the banks a commission, also in the form of bills of exchange, amounting to $\frac{3}{4}$ per cent on each bill of exchange issued in respect of interest under this agreement on additional orders. Should the credit of 200 million RM not have been completely exhausted by March 31, 1936, the Trade Delegation will draw up, on March 31, 1936, a bill of exchange maturing on September 30, 1938, for the payment of such commission as is still outstanding.

Moreover, the Trade Delegation shall make available to the Reich Government a further sum of 1 million RM on December 31, 1935.

VII

The credit granted to the USSR under the present agreement is based on Reichsmark, without exchange guarantee. The Soviet side state that they agree to all Soviet sales to Germany effected during 1935 being based on Reichsmark and, in this connection, to forgo a guaranteed rate. For those goods which, in accordance with customary commercial practices, have been invoiced in sterling, dollars, or other foreign currency, the Trade Delegation will accept payment in Reichsmark, regardless of the currency stated on the invoice. This category includes furs, grain, ore, flax. German firms are entitled to convert the foreign currencies, when due, at the average rates obtaining in Berlin.

BERLIN, April 9, 1935.

Signed: DR. HJALMAR SCHACHT

D. KANDELAKI

[Enclosure 3]

*The Reich and Prussian Minister of Economics to the Trade
Delegation of the USSR in Germany*

BERLIN, April 9, 1935.

Because of the devaluation of the pound sterling and the American dollar, some of the German firms have made claims against the Trade Delegation of the USSR in Germany. In connection with the agree-

ment signed today on the placing of additional orders worth 200 million RM, I am confirming at your request that the claims of the German firms have been settled. Should, nevertheless, some German firms still raise claims against the Trade Delegation of the USSR by reason of the devaluation of the pound sterling or the U.S.A. dollar, the Reich Government will release the Trade Delegation from these claims.

The above agreement shall not apply in instances where:

1. The total value of the order has been stated in the order (page 1 of the order form) and the prices specified have been given in different currencies, and the relevant bills of exchange have not yet been furnished to the German firm or, when furnished, have been accepted by the firm with a special proviso (quoting the number of the order) about the currency in which they are made out. (The appearance of sums in roubles in the orders will not be taken as involving a different currency.)

2. The bills of exchange in Reichsmark have been furnished to the German firm and the contract with the firm or a subsequent agreement contains a clause reading approximately as follows:

“Should the dollar rate on the date of maturity of the bill of exchange differ from the rate on the date of issue of the bill of exchange, then the difference shall be made up.”

As you have informed me, in instances of this kind the Soviet party to the agreement will not oppose an appeal to arbitration in accordance with the relevant supply contracts.

You have further informed me that you, for your part, will in future refrain from lodging claims against German firms arising from previously completed transactions by reason of the devaluation of the above-mentioned currencies. At the same time you have made the reservation that, should a German firm submit claims to the court of arbitration based on the exceptions cited under 1 and 2, the Trade Delegation shall equally be entitled to raise claims against the firm concerned by virtue of these exceptions.

It has further been agreed that where such differences have already been composed between the parties, these settlements shall remain unaffected.

By order:
MOSSDORF

[Enclosure 4]

*The Reich and Prussian Minister of Economics to the Trade
Delegation of the USSR in Germany*

BERLIN, April 9, 1935.

In connection with the agreement, signed today, on the placing of orders to the value of 260 million RM, you expressed the wish that

the Reich Government should be prepared to assist in enabling the orders contemplated by the USSR to be undertaken and duly executed.

I am happy to state in reply that, as hitherto, I shall in each case do all in my power to lend my support to the Trade Delegation regarding the placing and execution of orders.

I shall continue to do my best to enable the representatives of the Trade Delegation to visit those firms which are prepared to supply goods, in order that they may assess the quality of the goods which they intend to order. I shall also do my best to make it possible for the representatives of the Trade Delegation, after having placed an order, to visit the works of the supplier in the same way as heretofore, due notice having been given in advance, so as to see for themselves what progress is being made in carrying out the order, to make the necessary tests in respect of special orders, and to effect prompt acceptance.

By order:
MOSSDORF

[Enclosure 5]

*The Reich and Prussian Minister of Economics to the Trade
Delegation of the USSR in Germany*

BERLIN, April 9, 1935.

In connection with the agreement signed today for placing additional orders to the value of 200 million RM, I am happy to inform you that I am prepared to decide with the greatest possible speed, as a rule within 10 days, upon the Reich guarantees to be granted for the Soviet orders to be placed under the terms of this agreement.

At the same time the Reich Ministry of Economics inform the Trade Delegation that the compensation[s] due to the Reich in respect of the guarantee, bank charges and interest, are covered by the rate of interest provided for in this agreement (2 per cent above the Reichsbank discount rate).

By order:
MOSSDORF

No. 22

9037/E633446-57

Circular of the Foreign Ministry¹

BERLIN, April 10, 1935.
W 3935.

With reference to our circular W 7864 of September 13, 1934.²

¹ Addressees were all diplomatic Missions, except the Embassy to the Holy See, and all Consulates General.

² Vol. III of this Series, document No. 207.

German foreign trade has developed as follows under the "New Plan":³

| | <i>Imports</i> (in millions of Reichsmark) | <i>Exports</i> |
|---------------|---|----------------|
| October 1934 | 349 | 365 |
| November 1934 | 345.8 | 355.7 |
| December 1934 | 399 | 353 |
| January 1935 | 404 | 299 |
| February 1935 | 359 | 302 |

Thus, after a modest surplus in October and November 1934, the German balance of trade showed a deficit again in December 1934 and still more so in the first two months of this year. This result seems surprising at first sight, since, in accordance with the principles of the New Plan, foreign exchange permits for foreign goods are only granted to the extent of the amounts of foreign exchange available to pay for these imports. This has led the foreign press to conclude that the system of the New Plan has not proved its worth, since it has not been able to prevent a further increase in the deficit in the German balance of trade. This view, however, misses the essential point. In the last few months there have admittedly been not inconsiderable imports of goods for which no foreign exchange permits had been granted. Nor are imports without such permits forbidden by the provisions of the New Plan; but the recipient of the goods cannot count upon the foreign exchange needed to pay for them being made available to him. In practice, imports without foreign exchange permits mean that a further debt is incurred, against which the Reich Government have warned on numerous occasions, and most recently in the attached announcement.⁴ This development can be partly explained by the endeavours of the other countries, whose national economies are also suffering from the crisis, to continue to sell their goods in Germany. In addition to this there is the increasing German need to import fodder, as well as raw materials and semi-manufactured goods, combined with the additional expenditure that has become necessary as a result of the Reich Government's programme for creating employment and also as a result of the requirements of the Wehrmacht.

It would, however, be wrong to assume that the increase in German imports is only a matter of imports without foreign exchange permits (i.e., for which no foreign exchange can be expected and which cannot be expected to be settled through clearing agreements). On the contrary, a large proportion of this increase in imports must be attributed to the clearing agreements and to the growth of private exchange and clearing transactions.

³ See *ibid.*, documents Nos. 175 and 207.

⁴ Not printed (9400/E665573); this is an excerpt from *Eildienst*, No. 78 of Apr. 2.

The clearing agreements, which were mostly concluded before the New Plan came into effect, did not at first envisage any limitation of imports from abroad, but were only intended to provide that the sums in Marks paid for imports from abroad into a clearing account should not be permitted to be transferred abroad in the form of foreign exchange but should be solely employed to pay for goods exported from Germany. The transfer of the equivalent value of imports from abroad was thus to be achieved in practice by corresponding exports of German products. It soon became apparent, however, that the capacity of foreign markets to absorb German goods was frequently not in harmony with the capacity or demand of the German market for foreign goods. The consequence was that considerable sums accumulated in the clearing accounts in favour of the national economies of various foreign countries and that, because of the inadequate development of German exports to the countries in question, these sums could not be liquidated again with sufficient speed.

The Reich Government have endeavoured, in numerous individual negotiations, to remedy this unsatisfactory state of affairs, primarily by creating increased opportunities for the export of German products, but also by restricting imports from the countries concerned. It has become apparent that, as a result of this unwelcome development, authoritative circles abroad have been inclined to appreciate much more the necessity of restoring the original relationship in reciprocal trade (a German surplus, or at least a levelling of the balance of trade in Germany's favour). Whereas, formerly, foreign Governments were primarily concerned in trade agreement negotiations to increase their own exports to Germany and reduce imports from Germany, the rôles have practically been reversed in almost all the economic negotiations of the last few months. The other side's delegations have recognized in most cases that either German exports to their countries must be increased or that their own exports to Germany must be limited, or that both measures must be combined. On several occasions foreign delegations have asked for German proposals as to how German exports could be increased or foreign imports to Germany could be systematically restricted. Whereas, formerly, objections were frequently raised to the German export promotion procedure, repurchase of bonds, scrip⁵, etc., and a promise demanded that the export promotion procedure would not be applied, the German Government have now been requested several times to apply

⁵ Under the so-called "bonds and scrip procedure", the profits from the repurchase, at a price substantially below their nominal value, of foreign-held bonds and scrip (the latter issued in part settlement of debt and interest payments), and their sale within Germany at a higher price, were applied to export promotion. See vol. II, this Series, Document No. 151, and *Foreign Relations of the United States, 1934*, vol. II, pp. 400-406, *ibid.*, 1935, vol. II, pp. 471-477, and *ibid.*, 1936, vol. II, pp. 210-212, 220-221, 228 and 249.

the export promotion procedure as effectively as possible. Again, it has been suggested by several foreign Governments that the foreign exchange permits be simultaneously given the function of import permits, with the object of not allowing imports to enter Germany in future without foreign exchange permits. It is clearly shown by these details that it is coming to be increasingly realized that, in the present economic conditions, the sale of foreign products in Germany must be brought into harmony with the possibilities for German exports, which in this case are identical with the possibilities of payments by Germany. Thus the Dutch Government, for example, have, on their own initiative, expressed their willingness to restrict voluntarily the export of Dutch products to Germany in order to keep the German-Dutch clearing agreement⁶ working at all. The same applies to Switzerland and France.

In the negotiations about such a restriction of foreign exports to Germany, the most contentious issue is: In the case of what products should exports to Germany be restricted? Whereas German interests lie especially in maintaining the supplies from abroad of essential foodstuffs and fodder, raw materials and semi-manufactured goods, foreign countries are primarily attempting to safeguard their previous sales of finished goods or other products which the German economy could in fact dispense with but in which the foreign country is particularly interested. The fact that Germany has been compelled in such negotiations to make certain concessions (especially to the countries which supply her with important raw materials and semi-manufactured goods) in respect of those goods which from the point of view of the German economy could have been dispensed with, is due to the necessity of reaching an agreement. If the agreements hitherto made with various foreign countries on these lines are only gradually having an effect, this is due to the fact that the transactions which have taken place in the last few months are frequently still based on agreements concluded in the period before these restrictions came into force.

In addition to clearing agreements between countries, individual private exchange and clearing agreements are playing an increasingly important part. The scarcity of foreign exchange and of facilities for reimbursement credits is compelling trade more and more to switch over to direct purchasing and clearing transactions. In practice these transactions mostly take the following form: Foreign goods are imported immediately after the necessary permission from the appropriate supervisory authorities [*Ueberwachungsstellen*] has been obtained, whereas the other half of the deal, the export of Ger-

⁶ For the published text of the German-Dutch clearing agreement of Dec. 5, 1934, see *Reichsgesetzblatt*, 1934, pt. II, pp. 1388-1392; unpublished exchanges of letters and an unpublished protocol have been filmed as 9637/E679792-819.

man products, is generally not carried out until some weeks or months later. This leads to a situation in which the trade statistics at first reflect only one side of these transactions, namely, the imports from abroad, whereas the other side, the German exports to the country in question, only appears in the statistics later. This renders an accurate assessment of the actual course of the reciprocal movement of goods between two countries difficult. The time-lag between imports and exports explains, for example, the surprising increase in imports from Great Britain in the last two months. Here, although the amount of foreign exchange available to pay for imports from Great Britain has been brought into a fixed relationship (55:100) with the value of the German exports to Great Britain,⁷ imports have risen to such an extent, as the result of numerous exchange transactions of this kind, that Great Britain has, for the first time, been able to show a small surplus *vis-à-vis* Germany. Since an increase in exchange and clearing transactions would necessarily lead to an alteration in the structure of German-British trade such as would be undesirable from the point of view of our national economy, direct exchange and clearing transactions with Britain have been forbidden since March 1,⁸ a measure to which the British Government have expressly agreed.⁹

It may be expected that, by means of these various new measures, imports from abroad, which have risen excessively, will be reduced to a level that harmonizes with the possibilities of German exports. This, however, does not solve the other side of the problem, namely, the promotion of German exports. In addition to the obstacles to trade that have been set up in other countries (excessive tariffs, import restrictions, foreign exchange restrictions), two factors in particular constitute an obstacle here: Insufficient desire to export on the part of German firms, and the question of prices. For the German economy's lassitude regarding exports, I refer to circular W 8919 of November 27, 1934,¹⁰ of which I would once more urge Missions to take note. As regards the question of prices, it cannot be denied that the advantage which the countries with undervalued currencies have over Germany in the world market can only be made up with difficulty, particularly since the means available for the supplementary

⁷ For the Anglo-German Payments Agreement of Nov. 1, 1934, see League of Nations: *Treaty Series*, vol. CLXIII, pp. 79-102. See also vol. III of this Series, documents Nos. 277 and 278.

⁸ A circular of the Reich Office for the Control of Foreign Exchange of Feb. 27, 1935 (7721/E549852), prohibited, with immediate effect, all private clearing and exchange transactions involving the direct exchange of British and German goods which had not already received official permission.

⁹ The Consultative Committee set up in accordance with the Anglo-German Payments Agreement (see footnote ⁷ above) held its second session in Berlin on Mar. 13-18, 1935. According to a joint memorandum of Mar. 18 (9635/E679718-28), the British members of the Committee agreed that action should be taken to bring the issue of foreign exchange certificates into line with the cash available against these issues.

¹⁰ Not printed (M87/M003111-13).

export procedure (repurchase of bonds, scrip, etc.) are inadequate in view of the foreign exchange position of the Reichsbank. The Reich Government have consequently decided to include in the Reich budget for the new financial year a sum of 200 million RM which is to be exclusively applied to export promotion. In what form this sum is to be employed is not yet certain. Care will be taken to ensure that German exports promoted in this way shall not incur the danger of encountering new trade obstructions by offending against the anti-dumping provisions in existence in the various countries.

The disparity or time-lag between imports and exports, as set out above, only partly explains the present difficulties in carrying out clearing agreements of various kinds. For the rest, these difficulties arise from the fact that the clearing agreements regulate not only the payment of German imports and exports, but also the *transfer of the financial claims* of foreign countries. The proceeds of German exports to the countries in question not only serve to transfer the purchase price of the goods exported by these countries to Germany, but are also intended to make possible transfers to meet Germany's purely financial obligations towards these countries (Reich loans, particularly the Dawes and Young loans, State and municipal loans, private credits, mortgages, etc.). At the time when the clearing agreements were concluded, the proceeds from the export of German goods were in most cases sufficient to cover the transfer of both items. But, with the reduction in German exports and the increase in imports from abroad, the cover has become insufficient in the case of most countries. Foreign countries are now therefore often facing the necessity of limiting either their exports to Germany or the transfer of their financial claims on Germany. This is causing a dispute in the countries concerned between the parties interested in exports and the creditors, which has hitherto been settled in different ways in the various countries. In France, for instance, the creditor interests have so far completely kept the upper hand; France has so far preferred to dispense with a part of French exports to Germany. In Holland and Switzerland, too, the creditor interests have until recently prevailed. Recently, however, these two Governments have decided to restrict transfer of the financial claims (e.g. by reducing the transfer of interest), in order to keep open, within the framework of the clearing, a wider margin for the export of their goods.

By order:
RITTER

No. 23

6695/H102617

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

No. 68 of April 11

Moscow, April 11, 1935—8:42 p.m.

Received April 11—9:20 p.m.

IV Ru. 1425.

Information on the Paris agreement concerning the drafting of a Franco-Russian convention¹ is given in the Soviet press merely by quoting foreign reports. Apart from the Havas communiqué, opinions are quoted from the French, British, German and Polish press, but only in so far as they contain a political assessment of the event. Where they reproduce what is presumably the substance of the Paris agreement, they are not quoted. The Soviet press refrains from expressing any views of its own.

SCHULENBURG

¹ On Apr. 9 it had been announced in Paris that the French and Soviet Governments had agreed upon a system of mutual aid against aggression, based on the application of the undertakings contained in Articles 10, 16 and 17 of the League Covenant; it was hoped that the Franco-Russian arrangement would form part of a general security system based on the same principles.

No. 24

2368/494111-12

Memorandum by the Foreign Minister

BERLIN, April 12, 1935.

RM 325.

The British Counsellor of Embassy called on me this morning in the absence of the Ambassador and read me a telegram from Stresa,¹ the text of which was approximately as follows:

During the discussions in Berlin on the subject of the Eastern Pact, Sir John Simon had asked the Chancellor whether we would be prepared to join an Eastern Pact of the kind which we had described as acceptable if such Pact allowed the other signatories to conclude additional separate agreements about rendering military aid amongst themselves within the framework of the Pact. The Chancellor had replied that he considered such a pact dangerous and undesirable. Sir John Simon had informed the French and Italian delegations at Stresa of the outlines of a possible Eastern Pact as communicated to

¹ See document No. 5, footnote 5. For the text of Simon's telegram of Apr. 11 to Phipps from Stresa, see British Blue Book, Cmd. 5143 of 1936: *Correspondence showing the course of certain Diplomatic Discussions directed towards securing An European Settlement, June 1934 to March 1936* (hereinafter cited as British Blue Book, Cmd. 5143 of 1936), No. 11.

him by us. He now requested us to inform him as soon as possible whether we would refuse to accede to a pact drawn up on the lines proposed by us if the above-mentioned possibility of agreements on mutual military support being concluded amongst themselves by the signatories were specifically mentioned in the pact.

I told Mr. Newton, subject to the matter being put at once to the Chancellor, that we must reject a pact in which the possibility of separate treaties concerning mutual military aid was mentioned. In order, however, once more to demonstrate our genuine desire to surmount the existing obstacles, and to prove that we were not, in principle, opposed to the conclusion of collective treaties, I could state that we would be prepared to accede to an Eastern Pact on the lines indicated by us even if some of the co-signatories to this Pact were to make separate agreements regarding mutual military support amongst themselves. The pact that we would sign must, however, contain no reference to these agreements, and we would ignore any notification of the signing of such agreements. We could indeed not prevent other States from concluding agreements on mutual military support, but we were opposed to such agreements and did not wish by any act or statement on our part to lend countenance to them. I personally, however, was of the opinion that the conclusion of an Eastern Pact on the lines indicated by us would, if it were accompanied by simultaneous, or even subsequent, mutual support agreements among individual signatories of the Eastern Pact, hardly be likely to bring about the political *détente* which was so urgently desired both by the British Government and by ourselves.²

FRHR. V. NEURATH

² Typewritten marginal note: "The Reich Chancellor has expressed his agreement with my reply. Frhr. v. Neurath."

No. 25

7790/E560046-47

*Memorandum by an Officer of the Naval Command*¹

M I 710 geh.

BERLIN, April 12, 1935.

SK 82 geh.

Subject: Conversation with the British Naval Attaché on April 12, 1935.

1. In accordance with the instructions contained in M I 702 geh. of April 11,² the British Naval Attaché was informed of the German Navy's construction programme; he was asked to treat the infor-

¹ Copies were addressed to A III, SK, M IV and W.A. Ausl.

² Not printed (7790/E560045); this was a memorandum in which Bürkner recorded that Raeder had authorized him to release the information that five additional destroyers were under construction and that work on seven more destroyers and two cruisers would be commenced shortly.

mation as confidential, since the intention was to inform other naval authorities about a week from now (just before Easter).

The Naval Attaché himself was not shocked by the size of the programme but asked "why no figures for submarines were given to him?" The reply was that "we hadn't got that far".

I had the impression that we could have given the British Naval Attaché simultaneous information about submarine construction without arousing more unfavourable reactions; he is certainly thoroughly prepared to hear such news, and so, I suppose, is the Admiralty.

The Naval Attaché said "he knew that we did not want to say anything about displacement, but he supposed that the two cruisers were not of the 'Deutschland type'". This was confirmed.

2. The preliminary Anglo-German naval conversations will be held in London before the beginning of the Coronation ceremonies (May 6) [*sic*],³ i.e., at the end of April or beginning of May. We shall shortly receive information about the exact date.

The Naval Attaché was informed that the German representatives had been nominated.

3. The Naval Attaché further explained the British Ambassador's remarks at the beginning of this week to the Foreign Minister⁴ about the Naval Conference of 1935 in this sense: The Admiralty had informed him that the consent of the other four Powers was necessary in order to invite Germany, but that Britain would not take part in any Naval Conference without Germany.⁵

M.J.A.

M I

BÜRKNER

³ The Silver Jubilee ceremonies are evidently meant.

⁴ See document No. 19.

⁵ The Foreign Ministry was informed of the contents of the document here printed, and of that cited in footnote 2 above, in a communication dated April 15 (7362/E538961-62).

No. 26

5667/H013612-14

*Unsigned Memorandum*¹

BERLIN, April 12, 1935.

The German-Turkish economic negotiations² have now so far progressed that the agreement may be expected to be signed early next

¹ Marginal note: "Memorandum by [Department] III O[rient] for the Foreign Minister to serve as a basis for his conversation with Numan when he pays his farewell visit. To M[inisterial]D[irektor] Ritter. K[roll]." Numan Menemencioğlu, Secretary General of the Turkish Foreign Ministry, was the head of the Turkish Trade Delegation which had been conducting negotiations in Berlin since the middle of March. (See also footnotes 2 and 3 below.) No record of a conversation on these lines has been found.

² For the origins of these negotiations see vol. III of this Series, document No. 484 and footnote 6 thereto. Other documents on German-Turkish commercial relations have been filmed on Serials 5667, 8622 and 8627.

week.³ In the course of the negotiations it has become clear that the Turks are trying by every possible means to maintain their present exports to Germany and furthermore, if possible, to extend them. On the other hand, it must be stated that public opinion in Turkey is still being influenced in a manner which is by no means friendly to Germany, especially by the reproduction in the Turkish press of unfriendly opinions from abroad and of malicious caricatures, and that the Government are tolerating this. Moreover, complaints about Turkish behaviour in respect of German capital in Turkey are mounting. The Turks seem to consider that they have a perfect right to force the owners of concessions, by means of taxation and administrative measures, to surrender their rights, whereby the owners are regularly obliged to suffer a considerable loss on their invested capital.

Apart from the war-time and post-war claims of German firms against the Turkish Government, the settlement of which is being systematically delayed by the Turkish authorities, the following cases, which are important for us, are also on the agenda for discussion:

1) The firm of Julius Berger has requested that the arbitration proceedings provided for by the terms of its contract be instituted for the purpose of settling its claims for the construction of railways and has, in accordance with international custom, nominated its German arbitrator. This has been rejected by the Turkish Minister of Labour on the grounds that under Turkish law only Turkish arbitrators can be admitted in a court of arbitration of this sort. In view of the pressure that would presumably be exerted on such a Turkish arbitrator by the authorities, a settlement of this nature is unacceptable either to us or to the firm of Julius Berger, quite apart from the fact that by agreeing to this Turkish demand we should be creating an undesirable precedent. It would be best for the Turks to agree to settle the matter in a friendly way—perhaps even avoiding arbitration proceedings altogether—by the appointment of a German-Turkish commission.

2) The German electricity and gas companies in Ankara and Adana are practically being forced, by means of arbitrary reductions of their tariffs and by completely disproportionate tax demands, sooner or later to surrender their concessions. They, too, must face a substantial loss of capital, since we cannot expect the concessions to be maintained for even a part of the period stipulated.

3) The same applies to the interests of the Deutsche Bank in the copper mines of Arghana-Maden.

³ On Apr. 15, 1935, there were signed in Berlin: (1) a second Agreement Supplementary to the German-Turkish Commercial Treaty of May 27, 1930 (for the text see *Reichsgesetzblatt*, 1935, Pt. II, pp. 384-405); (2) a Protocol on Trade and Payments (M128/M004688-711), with an unpublished Protocol and Notes (M128/M004712-15); (3) an agreement between the Reichsbank and the Banque Centrale de la République Turque, with confidential protocols (8627/E604792-801).

4) Despite the energetic efforts of the German Embassy, it has not been possible to obtain the help of the Turkish authorities in Ankara in liquidating the real estate of the German Welfare Association for Works of Christian Charity in the East [*Deutscher Hilfsbund für christliches Liebeswerk im Orient*], which has in part been arbitrarily confiscated by the Turks. The local Turkish authorities exert continuous pressure on the representative of the Welfare Association, in order to force the sale of the ground at a disgracefully small percentage of its actual value.

In view of these facts, which bear no comparison with Germany's obligingness and generosity, whereby Turkey is enabled to dispose of over 40 per cent of her total exports in Germany, and bearing in mind that the highest Turkish authorities exert strong and continuous pressure at the slightest provocation for the purpose of settling questions in which they are interested, it would appear desirable emphatically to point out the facts of the case to the Secretary General of the Turkish Foreign Ministry, Numan Menemencioğlu, on the occasion of his farewell visit.⁴ The President of the Turkish Chamber of Commerce, Mumtaz Fazli, has indicated to a member of the Foreign Ministry that Numan Bey would probably have no objection to being approached by the highest German authority on these points, which he knows to be particular points of grievance with Germany, so that he might then exert some pressure on the Minister President in Ankara in the interests of a settlement.

Herewith respectfully submitted to Ministerialdirektor Dieckhoff.

⁴ See footnote 1 above.

No. 27

1506/E371333-35

The Ambassador in Great Britain to the Foreign Ministry¹

STRICTLY CONFIDENTIAL

LONDON, April 12, 1935.

A 1307

Rk. 2409.

Subject: Conversation with the Prince of Wales.

I had another long conversation² with the Prince of Wales yesterday.

The Prince first enquired in great detail about the progress of the Anglo-German conversations in Berlin.³ He thought that even although the discussions had not brought about agreement they had,

¹ The document here printed is taken from the files of the Reich Chancellery, to which it was sent under a covering letter, III K[olonien] 1 1702 of Apr. 23. The files of the Referat of Department III which dealt with colonies are not held.

² No earlier report has been found; see, however, footnote 1 above.

³ i.e., the Simon-Eden conversations, held Mar. 24-26, 1935; see vol. III of this Series, documents Nos. 555 and 564.

nevertheless, been very useful, which I confirmed. He was critical, as he had been on earlier occasions, of the too one-sided attitude of the Foreign Office and once again showed his complete understanding of Germany's position and aspirations.

I then asked the Prince frankly whether he had felt any misgivings about the announcement of the introduction of universal military service in Germany.⁴ The Prince denied this point-blank and added that he took it as a matter of course that Germany had not wished permanently to remain in a state of unilateral disarmament and he had long since foreseen that, if there were no general disarmament, Germany would one day take it upon herself to decide the scale of her armaments.

In this connection the Prince added that his first-hand experience of events during and after the war had firmly convinced him that in our era wars were, quite apart from their destructiveness, no longer a means for solving political problems. The subjugation of a vanquished people by victorious States was no longer conceivable. Therefore, war simply meant the destruction of one another by nations who were in fact created to work together. When it was over, war left behind a heap of ruins, and, even when it proved possible to clear them away, no generally satisfactory solutions could in the nature of things be found between victors and vanquished, with the result that new causes for future conflicts were created. The fact that he had come to realize the futility and hence the reprehensible character of clashes of arms, however, by no means meant that he was a pacifist. Far from it. He desired his homeland to remain strong and to command respect, and he therefore understood very well that the Reich Government and the German people were inspired by a similar desire. He fully understood that Germany wished to face the other nations squarely, her head high, relying on her strength and conscious that Germany's word counted as much in the world as that of other nations.

I told the Prince in reply that what he had just said corresponded, as it were, word for word with the opinion of our Führer and Chancellor, such as I had heard it myself from his own lips.

The Prince then went on to say that in the views expressed by the Reich Government during the Berlin talks there was one point which had struck him and given him food for thought, namely, the German demand for the return of colonies. Even those Englishmen whose pro-German sympathies had been well tried, and also he himself, had felt some misgivings about this. He, personally, had visited what was formerly German East Africa, now called Tanganyika, and had been pleased to see that there was still a large number of German settlers there and that their relations with the British authorities

⁴ Made by Hitler on Mar. 16, 1935; see vol. III of this Series, documents Nos. 532 and 538.

were excellent. At the same time, however, he had come to realize how extremely difficult it would be for Britain to give up this mandated territory which had now been integrated into the British Empire. While fully acknowledging the need not only to accept Germany's resurgence but even to foster it, the point could nevertheless not be ignored altogether that we had "lost the game"⁵ in 1918.

I replied that it was indeed one of the grave mistakes of Versailles simply to have cut off a nation of 65 million people from colonial administration and that it would not be in the interest of the further development of the world if people closed their minds to the recognition of the fact that the German people could not forgo for ever their thoughts of colonial activity which, after all, the other Great Powers also cherished. The Prince admitted this and said he well understood that Germany's right to the administration of colonies could not be denied in principle. For the time being, however, he continued, he saw no possibility of meeting possible German demands for a return [of colonies], at any rate not with regard to the British mandated territories. He must, therefore, advise us, in the interests of retaining Britain's sympathies, not to put forward such a demand formally at the present time so as not to create the impression here that we were making excessive claims.

After I had given the Prince at his own request a detailed report on the progress of the Berlin talks with regard to the question of colonies, he concluded the conversation by assuring me once more of his deep sympathy for the wishes of the great German people and by expressing the hope that solutions might be found which would be acceptable to Germany and which would therefore contribute to safeguarding world peace.

HOESCH

⁵ In English in the original.

No. 28

6695/H102634-35

Memorandum by the Director of Department IV

IMMEDIATE

BERLIN, April 13, 1935.
e.o. IV Ru. 1440.

Late yesterday evening Ambassador von Moltke¹ informed [me] that, during dinner at Lipski's, the Polish Foreign Minister had telephoned. He [Beck] had wanted to know whether the reports that Germany had agreed to supplementary arrangements [*Nebenabreden*] on optional mutual assistance were true. Herr von Moltke asked for

¹ Moltke was in Berlin for discussions on the German minority in Poland.

some form of message for M. Beck to be sent to the Polish Ambassador, so that M. Beck would be able to prevent agitated and misleading reports from appearing in the Polish press. M. Beck was leaving for Geneva on Saturday² morning at 8 o'clock.

After consulting Herr von Kotze,³ I told the Polish Ambassador by telephone that the Foreign Minister asked him to call tomorrow morning,⁴ in order to inform him of the *démarche* made by the British Chargé d'Affaires⁵ and of the German Government's reply.⁶ I could, however, tell him now that the German Government had in no way changed their position on the Eastern Pact question; they would not sign a pact containing either an obligatory or an optional mutual assistance clause. The German Government adhered to the basic principles for an Eastern Pact of which he was already aware. The German Government could, of course, not prevent other Powers from concluding amongst themselves agreements containing mutual assistance obligations if they wished to do so. We would not take any note of such agreements. M. Lipski was very glad to have been informed of the general outlines that same evening.

MEYER

² i.e., Apr. 13.

³ Of the Foreign Minister's Secretariat.

⁴ Evidently the morning of Apr. 13 is meant. No record of Neurath's interview with Lipski has been found, but see also document No. 30.

⁵ See document No. 24.

⁶ See document No. 29.

No. 29

M193/M006122

Communiqué of the Official German News Agency

DNB No. 582

BERLIN, April 13, 1935.

THE REICH GOVERNMENT'S ATTITUDE TO THE PROPOSED EASTERN PACT

I. In the course of the Berlin conversations, the Führer and Chancellor informed the British delegation that the German Government were, to their regret, not in a position to announce their accession to the Eastern Pact in the proposed form. The German Government were, however, ready to give their consent to such a collective security pact provided that:

Firstly, it was based on mutual and general obligations of non-aggression and arbitration procedures,

Secondly, in the case of a breach of the peace, a consultative procedure was provided for,

Thirdly, the German Government would be prepared, whilst em-

phasizing the difficulty of clearly defining an aggressor, to adhere to general measures for non-support of such aggressor.

The German Government still stand by this offer today.

II. The Führer and Chancellor, in the course of this conversation, also stated that the German Government were not in a position to agree to a proposal for a pact which contained more or less automatic obligations for military assistance, whether between all or certain individual parties. The Government saw in this not a factor for the maintenance of peace but rather a factor of menace to peace. The German Government today still adhere to this view and to the attitude which must result from it.

III. The German Government, immediately after their accession to power, expressed the wish to conclude pacts of non-aggression with the neighbouring States. They made this proposal without having full knowledge of existing bi- or multilateral military agreements between individual States and quite independently of them. Since they themselves have no aggressive intentions they do not feel affected by real defensive agreements. This view, too, the German Government still hold today. They are, therefore, unable to accede to any pact which contains such military engagements as an essential part of its contents and therefore of its existence; nor can agreements of this sort, which lie outside this pact, deter the German Government for their part from concluding pacts of non-aggression on the basis set out above.

Such was the sense of the German Government's reply to the British Ambassador's enquiry whether Germany was prepared to conclude an Eastern Pact on the basis which she had herself indicated even if other States had concluded or were to conclude additional special agreements amongst themselves.

The German Government, however, will not refrain at this point from making the following observations:

The amplification of pacts of non-aggression and no-force pacts by agreements for military assistance, which is considered necessary by various Governments, rests upon an inherent contradiction. Either one believes in obligations which have been freely undertaken or one does not believe in them. If one believes in them the necessity of such military agreements is not apparent. But if one doubts the sincere fulfilment of a non-aggression obligation once undertaken, then this doubt is equally justified in regard to the proper fulfilment of the amplifying military obligations of such peace pacts. If it is possible for wars to arise from non-aggression pacts, it is just as possible that out of defensive mutual assistance pacts there may come offensive acts of aggression. But it seems to the German Government that the distance from a pact of non-aggression and no-force to a forcible breach of the peace is farther than the distance from

military obligations of a defensive character to a military attitude of an offensive character. The German Government, however, now as previously, see in this development of military alliances in Europe no element of collective peaceful development or indeed of any guarantee of peace. They are, therefore, not in a position to sign pacts of which such obligations form an integral part, whether they apply to all or only to individual contracting parties.

The above attitude was officially communicated to the British Secretary of State for Foreign Affairs through the Embassy here.¹

¹ According to telegraphic instructions circulated by the Foreign Ministry to the principal Missions abroad on Apr. 13 (6695/H102659), this statement was communicated to the British Embassy in Berlin on Apr. 13 and was to be published on Apr. 14. For the circumstances of the communication of this statement to the British Embassy see document No. 248.

No. 30

6695/H102670-72

Memorandum by the Director of Department IV

BERLIN, April 15, 1935.

IV Ru. 1482.

On instructions from M. Beck, the Polish Ambassador yesterday (Sunday) urgently requested an interview.

M. Lipski first asked me to convey to the Reich Chancellor the Polish Foreign Minister's thanks for the reception and the detailed information given the Polish Ambassador; he also asked for M. Beck's thanks to be conveyed to Herr von Neurath.¹

With reference to the Foreign Minister's remark that he hoped to see M. Beck here in Berlin on his return from Geneva,² M. Lipski stated that M. Beck had gone to Geneva with his wife and intended to spend a few days with her in Italy, resting; their stay in Italy could only be a short one in view of M. Laval's forthcoming visit to Warsaw; nothing was, therefore, known as yet about the arrangements for his return journey. He [Lipski] would, however, let us know as soon as he learned any details.

M. Lipski then said that M. Beck had asked to be informed, if possible at once, on one point. He asked:

(1) whether the German Government had as yet adopted any definite views as to who should take part in the pact envisaged by Germany;³

¹ No record of an interview between Hitler and Lipski or Neurath and Lipski on Apr. 13 and 14 has been found, but see also document No. 28.

² Beck attended the 85th (Extraordinary) Session of the Council of the League of Nations, held Apr. 15-17, 1935; see also Editors' Note, p. 65.

³ This document was initialled by Neurath on Apr. 16. A marginal note in his handwriting against this paragraph reads: "No."

(2) whether Sir John Simon had made any statements about who should take part in a pact such as had been outlined by the Führer and Chancellor;⁴

(3) whether the British would be in a position to state that, in the German view, the participants in the original Eastern Pact could be the same as those in the proposed pact.⁴

I told M. Lipski in reply that I could at present only give him a personal opinion, but that I would try to get in touch with the Foreign Minister by telephone and give him an answer this afternoon.

I then said with reference to questions (2) and (3) that, as far as I knew, no statement whatsoever had been made to Sir John Simon as to the participants, and that there could therefore be no question of the British referring to any alleged German views on these matters. As to question (1), I said that the German Government had not as yet studied it at all; it had simply not been discussed, nor was there any mention of it in the communiqué issued today.⁵

After consulting the State Secretary, I informed M. Lipski in the afternoon that I had, unfortunately, not been able to reach the Foreign Minister; acting on instructions, I confirmed the remarks I had made in the morning and stressed that we had not as yet concerned ourselves at all with the question of possible participants in an Eastern Pact.

M. Lipski then paraphrased the conversation with the Führer and Chancellor and Herr von Neurath; he expressed doubts as to whether his remarks on the connection between Franco-Polish and Franco-Russian relations had been clearly understood. M. Beck had asked him to stress that the Polish Government wished to develop their relations with France quite independently of what shape Franco-Russian relations might take. I told M. Lipski in reply that, according to what the Foreign Minister had said, this point had come out quite clearly in the conversation.⁶

M. Lipski further stated, on M. Beck's instructions, that the Russians intended to open a vigorous offensive in Geneva against Germany and in favour of the original Eastern Pact. According to reports received, strong pressure would be brought to bear, particularly on the Baltic States. M. Lipski here asked me whether it was true that the Soviet Union had recently suggested a treaty of mutual assistance to the Baltic States. I replied that, in my opinion, this report was not correct. The truth of the matter was that the Russians had been pressing the three Baltic States⁷ to decide quickly what attitude to take to the possibility of an Eastern Pact being concluded without Germany or Poland participating. After much in-

⁴ Marginal note in Neurath's handwriting against this paragraph: "No."

⁵ See document No. 29 and footnote 1 thereto.

⁶ Marginal note in Neurath's handwriting against this sentence: "Yes."

⁷ See document No. 16 and footnote 2 thereto; see also *The Times* of Apr. 11, 1935.

decision, the [Baltic] Border States had agreed to reserve this matter for decision at the forthcoming Conference between the three Baltic Foreign Ministers, which was to be held in Riga at the beginning of May.

M. Lipski told me finally that M. Beck was to make a speech at the meeting of the Council of the League of Nations at Geneva. In this speech he would sharply criticize the Disarmament Conference and would attack the pactomania which prevailed in various countries. He, Lipski, would receive the text of the speech from Geneva beforehand and would at once communicate it to Senior Counsellor Aschmann. He asked that it be favourably treated in the press.

MEYER

No. 31

8115/E581091-96

The Foreign Ministry to the Embassy to the Holy See

URGENT

BERLIN, April 16, 1935.

zu II Vat. 209,¹ 310,² 311³, 361.⁴

Drafting Officer:

Senior Counsellor Menshausen.

With reference to your reports Nos. 53,⁵ 55,⁶ 61⁷ and 64⁸ of February 5, 7 and 8, 1935.

You should reply to the Note of the Cardinal Secretary of State, No. 387 of January 29, 1935,⁵ in the following sense:

The Government of the Reich note with satisfaction that the Holy See sees no reason to oppose in principle the preference for oral discussions to an exchange of Notes, if this should really be of benefit to the progress, dependability and value of the exchange of views. That this mode of procedure, approved by the Holy See, has failed to lead, long since, to a final settlement of outstanding questions as regards the execution of the Reich Concordat,⁹ obliges the Reich Government regretfully to state, in reply to his Eminence's observations reviewing the reasons for the delays which have occurred since the discussions with the German Bishops in June,¹⁰ that the Reich

¹ Not printed (8115/E581072-75).

² Not printed (8115/E581076-77).

³ See vol. III of this Series, document No. 481, footnote 8.

⁴ Not printed (8115/E581082-90).

⁵ Vol. III of this Series, document No. 481.

⁶ Not printed (8115/E581044).

⁷ Not printed (8115/E581048-52).

⁸ Not printed (8115/E581054-55); this report of Feb. 8, 1935, transmitted a Note from Cardinal Pacelli stating that item No. 9 in his Note of Jan. 9, 1935 (see footnote 5 above) had been dealt with in a communication from the German Government dated Oct. 12, 1934) (the instructions, dated Oct. 6, to make this communication, are filed as 8116/E581242-45).

⁹ Signed on July 20, 1933; for the text see vol. I of this Series, document No. 371.

¹⁰ On June 24-29; see vol. III of this Series, document No. 50.

Government had no knowledge whatsoever, at the time of these discussions (and, indeed, still have none), of the text of the Protocol of the Fulda Conference, either as regards the actual wording or the contents. The Reich Government could therefore only assume, by reason of the fact that the Bishops' Conference at Fulda was called before the [Berlin] discussions took place, that the German Hierarchy had agreed at this assembly on their attitude to the questions tabled for discussion in Berlin, and had given the three delegate Bishops sufficiently ample powers. Nor did the representatives of the Hierarchy, for their part, give any indication, during the Berlin discussions, that the Reich Government were mistaken in this assumption. In particular, there was at that time no mention of subsequently submitting the agreements reached on June 29 to all the members of the Hierarchy for an opinion. On the contrary, at the conclusion of the Berlin discussions, not only was a joint press communiqué drawn up on the agreement reached, but the participating Bishops also expressly confirmed the Government representatives in their view that any further substantial objections by the superior ecclesiastical authorities in respect of the agreements which had been reached were scarcely to be expected. In these circumstances, the Government representatives took it for granted that the outcome of the discussions, which in fact terminated on June 29, would receive immediate approval, and that merely as a matter of form. The subsequent disagreement among the Bishops and the unexpected rejection of the June agreement by the whole Hierarchy in September of last year¹¹ must therefore appear to the Reich Government to be the underlying reason for the delay which has since occurred in the settlement of the questions still at issue, a delay which they, too, keenly deplore.

As regards the Vatican communications which the Note describes as still pending or unanswered, these almost without exception concern matters which, with the express approval of His Eminence, are to be reserved for oral negotiations and which also, for the most part, have already been the subject of exhaustive discussions. It is precisely for this reason that, in the majority of cases, the Reich Government have refrained from replying in writing. This applies particularly to the communications listed as Nos. 1, 2 and 5, which have not only repeatedly been the subject of direct discussions between His Eminence and Ministerialdirektor Dr. Buttman,¹² but on which partial agreement had already been reached in the Berlin discussions with the Hierarchy in June.

The Bavarian Government did not feel called upon to reply to the Note addressed to them by the Holy See and dated December 11,

¹¹ See *ibid.*, document No. 195.

¹² Of the Reich Ministry of the Interior.

1933, which is cited by His Eminence as No. 3, since, according to a report received at the time from the former Bavarian Minister to the Holy See, the complaints contained in this Note had in the meantime also been brought up in the Memorandum of January 31, 1934,¹³ addressed to the Reich Government, to which His Eminence had already received a reply.¹⁴

As regards the Holy See's proposals of February 11, 1934, cited as No. 4, concerning the freedom of the Catholic press, it should be noted that the Reich Government have fully expressed their views on the questions therein raised in the statements of principle contained in their Pro Memoria¹⁴, communicated with their Embassy's Note of March 16, 1934.¹⁵

As His Eminence has in the meantime indeed confirmed, the Note of June 11, 1934,¹⁶ cited as No. 9, which concerns the banning of a film by the Munich police, was included by mistake in the list of communications still pending. It was, in fact, answered on October 12 last.

The Reich Government hope also to deal in the immediate future with the four remaining Notes (Nos. 6, 7, 8 and 10 in the list), either in writing or by means of oral negotiations. It remains their desire to reach an early settlement of all outstanding questions and to see an atmosphere of friendly and trustful cooperation restored between State and Church. The Reich Government therefore await with particular interest the observations of His Excellency the Nuncio upon the communication made to him by Ministerialdirektor Dr. Buttman at their most recent conversation on January 28 last.¹⁷

By order:
KÖPKE

¹³ See vol. II of this Series, document No. 232 and footnote 2 thereto.

¹⁴ Not printed (8125/E581883-912).

¹⁵ The Note (8115/E580675) is dated Mar. 14, 1934, but, as is clear from document No. 406 in vol. II of this Series, it was communicated on Mar. 16.

¹⁶ Not printed (8116/E581232); see footnote 8 above.

¹⁷ See vol. III of this Series, document No. 470 and footnote 1 thereto.

No. 32

769/270765-67

The Foreign Ministry to the Reichswehr Ministry

IMMEDIATE

BERLIN, April 16, 1935.
zu II M 939.¹

For the attention of Lieutenant Colonel von Böckmann.

With reference to your letter of April 11, 1936, No. 1139/35 geh.
Ausl. I.¹

¹ This letter (769/270762-63) gave reasons for enforcing conscription in the demilitarized zone, expressed the view that this would not violate the demilitarization clauses (see

The Foreign Ministry also proceed from the assumption that universal military service² must include the demilitarized zone.³ It can therefore only be a matter of considering how recruitment in the demilitarized zone can be effectively carried out without thereby giving the other Powers any possible justification for accusing us of infringing the demilitarization regulations.

In this connection it should be borne in mind that the demilitarization of the Rhineland is one of the main points of international discussion just now. According to information available here, the affirmation made by Britain and Italy at Stresa of their obligations under the Locarno Rhine Pact, as already officially notified by the British Ambassador here,⁴ is due in the first place to the alleged anxiety of the Western Powers lest Germany infringe the demilitarization regulations.⁵ In these circumstances we shall now have to proceed with particular care in all measures in the demilitarized zone.

It will not be possible to maintain the view that the establishment of recruiting centres for the Reichswehr cannot be regarded as a violation of the demilitarized zone because it is only a matter of making preparations for personnel for a mobilization, and not actual mobilization measures. The existence of military offices, run by officers and staffed by military personnel, would contravene the prohibition on keeping fighting forces in the demilitarized zone because such offices, even if they were not in charge of active troops, would nevertheless represent parts of the German army organization. Moreover, with the increase in reserves, the recruiting centres

footnote 3 below) and forwarded a draft order (769/270764) which read "Wehrmachtamt 635/35 geh. L. IIa. To the Chief of the H[eeress]t[eilung]. On the proposal, No. 488/35 geh. Allg. E. 1 of Apr. 4, 1935, concerning the introduction of conscription in the demilitarized zone, the [Reichswehr] Minister has decided that the universal military service must also include the demilitarized zone. Recruiting centres are therefore also to be located in the demilitarized zone, there to carry out the peacetime recruitment of the Wehrmacht. Military supervision may only be carried out under camouflage and through the agency of the civilian administrative authorities. Military assemblies are not to take place."

² Introduced on Mar. 16, 1935; see vol. III of this Series, document No. 532.

³ The demilitarized zone had been set up in accordance with the Treaty of Versailles. The relevant articles read:

"Article 42. Germany is forbidden to maintain or construct any fortifications either on the left bank of the Rhine or on the right bank to the west of a line drawn 50 kilometres to the East of the Rhine.

"Article 43. In the area defined above, the maintenance and the assembly of armed forces, either permanently or temporarily, and military manoeuvres of any kind, as well as the upkeep of all permanent works of mobilization, are in the same way forbidden.

"Article 44. In case Germany violates in any manner whatever the provisions of Articles 42 and 43, she shall be regarded as committing a hostile act against the Powers signatory of the present Treaty and as calculated to disturb the peace of the world."

Articles 42 and 43 were also guaranteed by Article 1 of the Treaty of Locarno (the Treaty of Mutual Guarantee between the United Kingdom, Belgium, France, Germany and Italy, done at Locarno, Oct. 16, 1925); for the text see League of Nations: *Treaty Series*, vol. LIV, pp. 289-301.

⁴ See document No. 33.

⁵ See vol. III of this Series, document No. 547.

in question would be given certain military powers over reservists in their districts.

In these circumstances I request that the organization in the demilitarized zone be such that it can be clearly and indisputably recognized as civilian in character. As the recruitment is mainly a matter of medical examination, it seems to me that the duties in question could without difficulty be transferred to civilian authorities such as district council offices. I have doubts, too, about camouflaging recruitment. If recruitment is carried out by civilian authorities, we should have good grounds for refuting any charge of infringing the demilitarization regulations. But there can of course be no question of entrusting recruitment to organizations which the other side has hitherto regarded—even though wrongly—as already possessing a military character (Police, Labour Service, SA and SS).

I should be grateful if you would let me know your views.⁶

By order:
BÜLOW

⁶ In a letter of May 6 (769/270768), the Reichswehr Ministry informed the Foreign Minister that the Führer had decided that: "In the demilitarized zone those liable for military service will be registered through the general and local administrative authorities", and that this decision had been incorporated in Article 12, paragraph 2, of the draft defence law (7692/E548367-93) which had already been transmitted to the Foreign Ministry. For the published text of the Defence Law of May 21, 1935, see *Reichsgesetzblatt*, 1935, Part I, pp. 609-622; see also Editors' Note, p. 178. In a further letter of June 15 (769/270774) the Foreign Ministry was informed of detailed arrangements.

No. 33

2368/494114-16

Memorandum by the State Secretary

BERLIN, April 16, 1935.
[II Abr. 902.]¹

The British Ambassador called on me today in order to hand to me, on instructions from his Government, a Note² from the British Government officially informing us of the Italo-British declaration on Locarno which was already announced in the final Stresa communiqué.³ The Ambassador explained that his Government attached

¹ Taken from another copy (7467/H182401-02).

² See enclosure.

³ This communiqué consisted of a Joint Resolution of the Stresa Conference, an Anglo-Italian Declaration and a Final Declaration of the Stresa Conference, all dated Apr. 14, 1935; for the texts see *British and Foreign State Papers* (London: H.M. Stationery Office, *in progress*) (hereinafter cited as *B.F.S.P.*), vol. 139, pp. 756-758.

importance to informing us and the Belgian Government, as the Powers not represented at Stresa, of this declaration officially.

I thanked the Ambassador for his information and told him that, since the Locarno obligations undertaken by the two guarantor Powers were naturally just as much to our advantage as they were to France's or Belgium's, the Anglo-Italian declaration was particularly valuable to us at the present moment, with France committing herself to a dangerous military connection with Russia.⁴

This led to a discussion of the Eastern Pact, in which I explained once more that the nucleus of the Barthou⁵ programme was nothing but a French-Czechoslovak-Russian military convention for the purpose of bringing in the Russian air forces, while the Ambassador maintained that the alliance was purely defensive in character, promoting peace by threatening the trouble-maker, and that in Russia anything but an aggressive mood prevailed.

The Ambassador then asked what was our opinion of the results of Stresa and said that in his view we had made a very valuable contribution.⁶

On this I told him that, when one compared the inadequate passage about the Eastern Pact in the Stresa communiqué with this valuable German contribution, and from it drew conclusions about the rest of the communiqué, it was obvious that we were quite insufficiently informed on the results of Stresa and that I, therefore, could give no opinion.

We then spoke briefly about the Danubian Pact⁷ and about the conference which it is intended to hold in Rome.⁸ The Ambassador, however, knew nothing further, had received no official information at all, and did not know whether it was true that Mussolini had originally envisaged a Danubian conference in Rome without Germany.

BÜLOW

⁴ See Document No. 23 with footnote ¹ thereto. A Franco-Russian Treaty of Mutual Assistance was signed in Paris on May 2, 1935; for the text see League of Nations: *Treaty Series*, vol. CLXVII, pp. 395-406.

⁵ French Foreign Minister until his assassination at Marseilles on Oct. 9, 1934.

⁶ See document No. 29.

⁷ See vol. III of this Series, document No. 408 *et passim*.

⁸ In Article 3 of the Joint Resolution of the Stresa Conference (see footnote 3 above) the British, French and Italian Governments recommended that all the Governments enumerated in the protocol of Rome (see vol. III of this Series, document No. 405, footnote 1) should meet at a very early date with a view to concluding the Central European agreement. This conference, due to be held in Rome on May 20, was postponed on two occasions and in fact never took place.

[Enclosure]⁹

No. 105
353/6/35

BRITISH EMBASSY,
BERLIN.
April 16th, 1935.

YOUR EXCELLENCY: I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to communicate to Your Excellency the text of the joint Anglo-Italian declaration included in the joint resolution of the Conference of Stresa:

"The following joint declaration was made by the representatives of Italy and the United Kingdom in reference to the Treaty of Locarno:

"The representatives of Italy and of the United Kingdom, the Powers which participate in the Treaty of Locarno only in the capacity of guarantors, formally reaffirm all their obligations under that Treaty, and declare their intention, should need arise, faithfully to fulfil them."

"Inasmuch as the two Powers have entered into these obligations in relation to all the other Parties to the Treaty of Locarno, this joint declaration, which has been made at the Stresa Conference in which France is participating, will also be formally communicated to the Governments of Germany and Belgium."

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

ERIC PHIPPS

⁹ The text of this enclosure is in English in the original.

No. 34

8656/E806030

Memorandum by the Deputy Director of Department II

BERLIN, April 16, 1935.
e.o. II Oe. 1020.

With reference to our despatch No. II Oe. 856 of April 13.¹

As we have learned from a reliable source, the representatives of the Little Entente made a *démarche* with the British Government on the subject of the Habsburg question prior to Schuschnigg's visit to London,² thus again making it plain that the Little Entente were

¹ Not printed (5138/E302547-52). In this circular despatch Renthe-Fink reviewed the situation regarding the question of the restoration of the Habsburgs in Austria as it affected the Little Entente, France, Great Britain and Germany.

² Information received by the Foreign Ministry on Schuschnigg's visits to London (Feb. 24-26, 1935) and Paris (Feb. 21-24) was circulated in despatch II Oe. 652 of Mar. 12 (8642/E605124-36).

firmly opposed to a restoration of the Habsburgs. The British Government, in reply to this *démarche*, stated that negotiations on the Habsburg question during Schuschnigg's visit had neither been expected nor desired. The British Government did not consider that Austria was bound, with regard to the Habsburg question, by any treaty obligations; nor did they in any way wish to raise questions which would render Austria's relations with her neighbours more difficult.

RENTHE-FINK

No. 35

8771/E611238-42

Foreign Minister Neurath to Reich Minister Hess

MOST URGENT

BERLIN, April 17, 1935.
zu VI A 1782¹ [Ang.] II.²

DEAR HERR HESS: In view of the forthcoming Easter holiday³ I have unfortunately not been able, as I had hoped, to discuss with you at the earliest possible moment certain questions about the work done in respect of the German national community abroad [*Deutschtumsarbeit*], which appear to me to be urgent.⁴ Consequently I venture, for the moment, to write you a letter giving you a few essential points.

The following matter seems to me to be particularly urgent: From information reaching the Foreign Ministry it appears that it is purposed to institute negotiations, apparently through Count York von Wartenburg,⁵ with representatives of the German national group in

¹ VI A 1782 was the registry number assigned to a letter of Apr. 12, 1935, from Krahmer-Möllenberg, Head of the Deutsche Stiftung, to Bülow (8771/E611232-34), informing him of a report from Bromberg that Gauleiter Bohle was planning a fusion of the two German groups existing in Poland (see footnote 6 below).

Hess had informed Neurath by letter of Feb. 5, 1935 (M223/M007548), that Bohle, whilst retaining his post as Head of the AO, had also been appointed the responsible official on Hess' staff for all questions relating to the German communities in foreign countries, regardless of whether they concerned German nationals or foreign citizens of German origin.

² Angabe I was a memorandum by Stieve of Apr. 13 (8771/E611235-37); this stated that Krahmer-Möllenberg's information (see footnote 1 above) was corroborated by oral reports from Poland, and recommended that the requisite instructions be obtained, not only from Hess but also from Hitler, to restrain the Party authorities from interfering in the affairs of German minorities and thus obstructing the work of the Foreign Ministry. The document here printed bears a typewritten marginal note: "According to Counsellor von Kotze, the Foreign Minister has given instructions that a letter to Herr Hess based on the attached memorandum [i.e., Stieve's memorandum of Apr. 13] should be prepared for him."

³ Easter Sunday fell on Apr. 21.

⁴ A memorandum by Stieve of Mar. 19 (3177/684607-11) had suggested that various points concerning the lack of coordination in the work done on behalf of German communities abroad should be raised with Hess. On instructions from Neurath, a brief for a conversation with Hess was submitted by Stieve on Mar. 28 (3177/684612-15).

⁵ Head of the Cultural Department of the Auslandsorganisation of the NSDAP.

Poland in the near future with the object of unifying it.⁶ I would have doubted the accuracy of this information had it not reached the Foreign Ministry in a definite form from various independent sources. For the institution of negotiations with a German minority abroad by an official Party Office in the Reich would be contrary to your official Party announcement, published in the *Völkischer Beobachter* of June 18/19, 1933. Even at the time of its issue, this announcement was indispensable to the Reich not only as a means of protecting the essential interests of the German minorities abroad, but also of preventing the German Reich's diplomatic relations with the so-called "Minorities States" from being unnecessarily prejudiced. In the present difficult situation it would appear to be especially necessary for your announcement to be most carefully observed by all official Party offices.

Desirable as a unification of the German national community in Poland would be from an all-German point of view, it must for the time being be left to the German national community in Poland to bring this about by itself. If, at the time they were conducted, even the Zoppot negotiations⁷ were an experiment not unfraught with danger, then the institution of fresh negotiations with the German minority, especially when involving official Party offices, must give rise to considerable misgivings on the grounds of foreign policy.

It is impossible not to recognize that the increasing tendency amongst certain offices within the Reich to intervene in the affairs of minorities has been paralleled by a marked increase in the nervousness and watchfulness of the so-called "Minorities States" in respect of any indication that the German minorities are becoming dependent upon the German Reich. It is known that the Polish Government are especially so inclined and that they will not tolerate any form of dependence by the German minority in Poland upon official Party offices within the Reich. The danger of the foreign Governments one day using the evidence, which they have been assiduously assembling, of the German minorities being dependent on the Reich, has in general much increased of late.

In present circumstances there is no prospect whatsoever of the pressure on the German national groups in the so-called "Minorities

⁶ During the first half of 1934 disagreements among the German national group in Poznań and Pommerellen had led to a split into two movements, the Deutsche Vereinigung and the Jungdeutsche Partei. Documents on endeavours made, both within the German community in Poland and from Germany, to unite the two movements, in 1934 and 1935, have been filmed on Serials 6201, 9171, K1004 and M224. See also footnote 7 below.

⁷ Under cover of a letter to Meyer of July 23, 1934 (6201/E467934-38), Consul General Radowitz forwarded a copy of an agreement, signed at Zoppot on July 17, 1934, between the representatives of the German community in Poland, which provided for a truce between the political groups, to run until Oct. 1, 1934, after which there was to be only one political organization in Poznań-Pommerellen. This agreement was not, however, observed; see also footnote 6 above.

States" being diminished or of the dominant peoples in these States proving more sympathetic towards the maintenance of spiritual ties between the people of the German homeland and the German national groups abroad. On the contrary, we must expect foreign States with their own rising nationalism, and as a would-be counter to the increasing strength of the German Reich, to intensify their policy of assimilating or, alternatively, eliminating the German national community.

Since the fundamental principle of blood brotherhood between the people of the German homeland and their national groups abroad is sacred to us, any measure taken by foreign States against the German minorities, as evinced above all by the Memel trial,⁸ must result in a deterioration of our diplomatic relations with the States concerned. In the next few years, when we shall have to make our way against many States, some linked together in opposition to us, we shall have to avoid encumbering ourselves with such burdens. Instead we must, on our side, do all we can to remove any unnecessary sources of friction and impediments. Especially in the case of Poland, any attempt by official Party offices within the Reich to influence the German minority could easily lead to an unnecessary and undesirable deterioration in our relations with Poland, where good relations are important to us.

Therefore, if the information reaching me is correct and such a purpose really exists, I am compelled urgently to request that no attempt be made to influence the domestic affairs of the German minority in Poland by means of negotiations or discussions, and that the official Party offices refrain from any similar activities in respect of all German national groups abroad until further notice.

I would attach great importance to speaking to you about this fundamental question as soon as possible, and also about several other questions which concern the work done for the German national groups abroad. It is a matter of how best to apply the experience we are accumulating over the Memel trial, over the prosecution of Germans in Czechoslovakia on grounds of the alleged maintenance of illegal relations with the Reich⁹ and over the domiciliary searches conducted in the homes of Belgian citizens of German origin in Eupen-Malmédy and St. Vith for the purpose of discovering evidence of the maintenance of illicit political relations with offices in the Reich.¹⁰ We must study how to eradicate certain shortcomings in the work done for the German national community abroad, work which is not always performed with the required caution and which is also greatly hampered by the fact of different offices working along different lines

⁸ See document No. 13.

⁹ See also vol. III of this Series, document No. 482.

¹⁰ Such searches had been made by the Belgian police on Mar. 7 and 8, 1935. The Minister in Brussels reported on them in despatch A 79 of Mar. 13 (M222/M007489-96).

at one and the same time, to the detriment of our fellow Germans abroad.

In view of the fact that in previous discussions on questions concerning the work done in respect of the German national community abroad our views have been substantially in harmony, I am convinced that we shall be able to find ways and means of ensuring that this work is, in accordance with the terms of your aforementioned announcement, performed in future with greater regard to the general interests of Germany's foreign policy than has hitherto been the case.

I have sent a copy of this letter to State Secretary Lammers and have requested him to inform the Führer and Chancellor of it.¹¹

With best wishes for Easter and Heil Hitler,

I am etc.,

NEURATH¹²

¹¹ This copy has not been found in the Reich Chancellery files. Copies were also sent to Ambassador Moltke, Consuls General Lütgens (Poznań) and Nöldeke (Katowice) and Consul von Küchler (Toruń) for their personal and confidential information (8771/E611230-31). No reply from Hess has been found.

¹² In a memorandum of May 4 (2945/575992-94) Neurath recorded that Lipski had told him on May 3 that the disputes between the [minority] Germans in Pommerellen were becoming a source of disturbance, and had requested that a moderating influence be exercised.

[EDITORS' NOTE: The French Government had requested on March 20 that an extraordinary meeting of the League of Nations Council be convened to consider the situation created by the German repudiation of the disarmament clauses of the Treaty of Versailles. This meeting, originally due to be held in the first week of April, was postponed until after the Stresa Conference, and took place on April 15-17, 1935. A French Memorandum sent to the Secretary General of the League of Nations on April 9 was published on April 14 (for the text see *Documents on International Affairs 1935* (London, 1937), vol. I, pp. 93-98). A draft resolution declaring that the reintroduction of universal military service in Germany was contrary to her international undertakings and must necessarily appear to be a threat to European security, and condemning any unilateral repudiation of international obligations, was submitted to the Council on April 16 by France, Britain and Italy and adopted on April 17, Denmark abstaining from the vote and all other members voting in its favour. For the text of the resolution and the debate on it see League of Nations: *Official Journal*, May 1935, pp. 545-565.]

No. 36

2784/540376-77

Memorandum by the State Secretary

BERLIN, April 17, 1935.

During his visit today the Italian Ambassador came to speak of the situation in Geneva¹ and asked me what I thought of the state of affairs. Our press was behaving in a very agitated manner. I replied that we were just as agitated as our press and that we found it incredible that people in Geneva wanted to sit in judgement on us; this I explained in detail. The Ambassador objected that if anyone broke a law the least that could happen was that he was given a warning; we should not forget that the Geneva resolution contained nothing about the past but was essentially concerned only with the future. Our past breaches of treaty were passed over with a reprimand, but in the future fresh breaches of treaty would certainly not fail to have very serious consequences; this was the intention and the meaning of the Geneva resolution.

In reply I told the Ambassador that it was precisely this attitude which we found wounding and insulting. We could never accept a situation in which those Powers who, for their part, were not fulfilling their treaty obligations, were reproaching us and demanding the right to sit in judgement on us. The Geneva tribunal was a ridiculous farce which seriously burdened the League of Nations (the Ambassador did not take this at all tragically), and which was also making it extraordinarily difficult to come to an understanding in future. If the resolution were adopted as it stood or in a form similar to its present one, they must be prepared for a sharp retort from Germany.² The Ambassador took this remark very seriously and said that if the German reply consisted of words, it would have no more serious results than the resolution itself, which, after all, need not hurt much. If, however, our reply again consisted of action, an extremely serious situation could not fail to develop. The Ambassador emphasized that the Italian Government had publicly made clear, both at Stresa

¹ See Editors' Note, p. 65.

² On Apr. 19 Neurath instructed the German Missions in the countries which had voted in favour of the League Council's resolution of Apr. 17 to deliver on Apr. 20 identical Notes (for the text of which see *The Times* of Apr. 22, 1935) to the Governments concerned protesting against the resolution and reserving the right to make a detailed reply (8694/E607780-81). In the same file there is an undated draft of a lengthy Note to the Governments represented on the League Council (8694/E607782-89) bearing copious amendments in Neurath's handwriting. Another copy of this draft (8694/E607790-95), without amendments, is dated Apr. 17 and bears a marginal note: "This draft was not used. To be filed. F[rohwein], May 20." There are also two draft telegraphic instructions, dated Apr. 18 and marked "*Cessat*" (8694/E607796-99), concerning the draft Note.

and at Geneva, that they had a certain amount of understanding for our conduct.³

BÜLOW

³ Another memorandum by Bülow of Apr. 17 (2784/540382) records that Cerruti also transmitted a Note (2784/540378) similar to that delivered by the British Ambassador on Apr. 16; see document No. 33 and enclosure thereto.

No. 37-

8694/E807770-71

Memorandum by the State Secretary

BERLIN, April 17, 1935.

II Abr. 913.

As instructed, I asked the British Ambassador to come and see me this afternoon and told him that the Führer and Chancellor, after taking cognizance of the Geneva draft resolution,¹ had directed me to ask him to point out to his Government that further discrimination against Germany was intended, and to warn them that in such circumstances there could no longer be any question of Germany's returning to the League of Nations. I added that the Führer and Chancellor, when giving these instructions, could not yet have known that the Geneva resolution had been adopted.

The Ambassador was much struck by this information and made a note of my statement in my presence. He also promised to transmit it at once to Sir John Simon, although it could, of course, make no difference to what had taken place in Geneva. He was very astonished that the Geneva resolution had come as a surprise to people in Germany. Had it come a few days after the proclamation of March 16, no one, even in Germany, would have found it strange.

I explained at length to the Ambassador wherein the discrimination lay, and told him especially that it was intolerable to us that other Governments arrogated to themselves the right to sit in judgement on us, while earlier breaches of treaty by other States had been ignored; I said that the League of Nations had no statutory right to appoint itself guardian of treaties and that, in particular, it had not dealt with the French repudiation of the obligations implicit in the preamble to Part V of the Treaty of Versailles,² which was contained in the French indictment³ and which contradicted all earlier statements on this point, not only by the French, but by the British and other Ministers.

¹ See Editors' Note, p. 65.

² The preamble to Part V (Military, Naval and Air Clauses) of the Treaty of Versailles reads: "In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow."

³ i.e., the French Memorandum of Apr. 9; see Editors' Note, p. 65.

The Ambassador showed no appreciation whatsoever for my explanations. He repeatedly emphasized that our action of March 16 had been a very important one and that, at the time, everyone in Britain had believed that war was imminent and that the Geneva resolution merely established that our action was not permissible. The same thing had already been said in the British, French and Italian Notes of protest.⁴ If one read the Geneva resolution more carefully, one would only find there that the past was no longer to be spoken of and that the way to fresh negotiations was being opened.

We parted with mutual regret that we could not understand or accept each other's point of view.

BÜLOW

⁴ See vol. III of this Series, documents No. 539 and footnote 1 thereto, and Nos. 548 and 550 respectively.

No. 38

9572/E674702-05

Unsigned Memorandum

VERY URGENT

BERLIN, April 17, 1935.

VI A 1877.

In February last year Gömbös, the Hungarian Minister President, sent a letter to the Führer and Chancellor regarding the German minority in Hungary.¹ So far no reply has been made to this letter.

Minister von Mackensen has recently reverted to the matter.² He is of the opinion that a reply should be sent to M. Gömbös as soon as possible, as the Reich would otherwise lose any further chance of rendering assistance to the German national group in Hungary. He further believes that a settlement of the minority question would be desirable since this would relieve relations between the Reich and Hungary of a not inconsiderable source of friction. In reply to a question put to him, Herr von Mackensen has said that even after the outcome of the Hungarian elections he considers it essential to reply to the Hungarian Minister President's letter, especially since Gömbös' position has been greatly strengthened by the election results.

Herr von Mackensen suggests that, if a reply by the Führer should be out of the question, the Foreign Minister should be got to send one. The first thing, therefore, would be to ascertain whether the Führer and Chancellor would be prepared to sanction the Foreign Minister's replying to Gömbös' letter, with a view to initiating discussions on the question of the German minority in Hungary. If so, it would prob-

¹ For this letter of Feb. 14, 1934, see vol. II of this Series, document No. 252; see also *ibid.*, document No. 371, and vol. III of this Series, documents Nos. 400 and 426.

² In telegram No. 26 of Apr. 1 (9571/E674261-62).

ably be advisable, before despatching the reply, to have Herr von Mackensen sound M. Gömbös orally as to whether he would be prepared to start negotiations between the two Governments now, on the lines proposed in his letter.

If the Hungarians say they are prepared to enter into discussions, then, as far as can at present be foreseen, these will proceed more or less as follows as regards, firstly, procedure and, secondly, content:

(1) The negotiations ought, if possible, to be held in Berlin. The German delegation will be led by the Foreign Minister. For the Hungarians, the conversations will be conducted either by the Hungarian Minister in Berlin,³ or it may be that Count Teleki, the former Hungarian Minister President, whom the Hungarian Government have already proposed to us at an earlier stage of the German-Hungarian exchange of views on the minority question, will be appointed to lead their delegation.

(2) As regards content, the main subject of the conversations would be the purely cultural demands of the German community in Hungary. We could support these all the more unreservedly during the conversations, since, on paper, minority rights have already been widely conceded to the German community in Hungary by laws and decrees which, however, are not being applied in practice. The German community in Hungary desire, as far as possible, to have their rights uniformly laid down by law, and to see ways and means found for the practical application of these rights.

The minority's chief desire is that young people of German stock should have the opportunity of learning their German mother tongue, both spoken and written, at infants' as well as at elementary and technical schools, but that, at the same time, they should also acquire full command of the language of the Hungarian State. This should be done by founding a special type of school for the minority, such as has already been largely conceded in theory but not applied in practice. The training of suitable minority school teachers calls for the founding of a teachers' training college. Furthermore, the minority desire that in the racially German communes religious instruction, and prayers, hymns and the sermon in Church services, should be in the German mother tongue. With regard to associations, the minority claim the right to organize themselves into associations and, above all, some opportunity of developing their main association, the *Ungarländisch-Deutsche Volksbildungsverein* [German Association for Popular Education in Hungary].

The Hungarians must be expected to make counter-claims. These will primarily concern the fundamental question of the maintenance of spiritual relations between the parent race [*Muttervolk*] and the

³ Constantin de Masirevich.

German community in Hungary (whose loyalty to the Hungarian State is beyond all doubt), the question of financial contributions from the Reich as well as the question of non-interference in the internal affairs of the German minority in Hungary by Party offices and other organizations in the Reich. In view of the previous lack of uniformity in the work done for the German national communities abroad from the Reich⁴ and of the overlapping of work in the various offices, it will be necessary for Reich Minister Hess to be brought into the negotiations so as to ensure that any agreements with the Hungarians will also be adhered to by all interested Reich German authorities.

Respectfully submitted herewith to the Reich Minister through the State Secretary.

⁴ For details of the organization of work connected with *volksdeutsch* problems see document No. 35 and vol. II of this Series, documents Nos. 31, 60, 74 and 140.

No. 39

9008/E631635-36

Minute by an Official of the Reich Chancellery

BERLIN, April 17, 1935.

Rk. 3172.

The responsible official of the Aussenpolitisches Amt, Dr. Leibbrand, has informed me of the following:

An offer from important Lithuanian authorities has reached the Aussenpolitisches Amt through an intermediary of whom no details were given. This offer is designed to bring about a *détente* in German-Lithuanian relations. It is believed to proceed from influential Lithuanian military circles and to have been made with the knowledge and approval of the Lithuanian Foreign Minister.

Agreement between Germany and Lithuania is to be reached on the following basis:

1. Lithuania undertakes to restore the autonomy of the Memel Territory and in future to observe the Memel Convention¹ strictly.
2. The Lithuanian Government are furthermore prepared to reverse the sentences passed in the so-called Memel Trial.²
3. In return, the Lithuanian Government merely expect Germany to declare that she has no aggressive designs *vis-à-vis* Lithuania.

These three conditions are a rough outline of what the Lithuanian proposals contain. They would have to be worked out in detail by commissions.

The Aussenpolitisches Amt would like to know whether it would be

¹ See document No. 13, footnote 3.

² See document No. 13, footnote 1.

in line with the Führer and Chancellor's foreign policy to comply with this offer and would request that a decision be obtained on this point, so that, if the answer is a negative one, further negotiations with the intermediary may be broken off as pointless.³

Respectfully submitted to the State Secretary.

THOMSEN⁴

³ Marginal note: "(1) The Führer has been informed. He would like the name of the intermediary disclosed and his credentials investigated. (2) Respectfully submitted to Ministerialrat Thomsen for further action. L[ammers], B[erlin], Apr. 19, 1935."

⁴ In a minute of May 3 (9008/E631637), Thomsen recorded: "Reichsleiter Rosenberg has informed me through Dr. Leibbrand that he has given the Führer a personal report on the Lithuanian offer.

"The Führer gave orders that the proposal should not be followed up further, since we had made an official statement, only a few days ago, to the effect that Germany had no aggressive intentions *vis-à-vis* Lithuania. Th[omsen]."

No. 40

6680/H096271

The Chargé d'Affaires in China to the Foreign Ministry

Telegram

No. 25

PEKING, April 18, 1935—7:25 p.m.

Received April 18—3:45 p.m.

IV Chi. 769.

Lautenschlager¹ informs us:

For the Foreign Ministry only.

I have been able to see the following telegram from Falkenhausen² to von Seeckt:³

"The Marshal requests that the following telegram be forwarded immediately to General von Seeckt, Genoa, April 23 [*sic*],⁴ Marnix. The views put forward by the Chinese Government with regard to the German military supplies to Canton through Klein, are, contrary to expectations, receiving scant attention from the German Government. Klein is saying everywhere that this is being done with my permission; this does not in any way correspond to the facts. During our conversation I gave no approval whatever for this. In order to establish the true facts of the matter, I request Your Excellency to transmit my views as soon as possible to the German Reichswehr Ministry. Confirm receipt by telegram. Chiang Kai-shek."

PLESSEN

¹ H. Lautenschlager, Counsellor of Legation at Nanking.

² Lt. Gen. Alexander E. Falkenhausen, Military Adviser to the Chinese Government at Nanking.

³ Col. Gen. Hans von Seeckt, Head of the German Military Mission in China since 1934, at this time on leave in Europe; see vol. III of this Series, document No. 512.

⁴ In a letter to General Reichenau dated Apr. 17, a copy of which was sent to the Foreign Ministry (6680/H096270), Counsellor Tann repeated the text of a telegram, dated Apr. 12, from Chiang Kai-shek, stating that he had telegraphed to Seeckt as indicated in the document here printed.

No. 41

6174/E463038-39

Ambassador Moltke to Ministerialdirektor Meyer

WARSAW, April 19, 1935.

DEAR MEYER: I still cannot quite understand Beck's attitude in Geneva. When he made his courageous speech¹ he can hardly have meant to vote for the French resolution.² Something must have happened in between speech and vote which we—at least we here—do not yet know of and at which we can only guess. I should like to think that, in his speech, which was not only brave but—to French ears especially—both cheeky and cynical, Beck had gone too far. If, after this speech, Laval confronted M. Beck with the choice of either voting for the resolution or having the alliance denounced, he will surely have been expressing what all France was feeling at that moment. That Beck, should he indeed have been confronted with such a choice, would opt for France was axiomatic.

I assume that M. Beck will have had explanations given in Berlin representing his conduct as, *rebus sic stantibus*, in our interests. Such could be deduced from reading the *Gazeta Polska*.³

Since the next courier will not arrive here before Thursday⁴ owing to the holidays, I should be very grateful to you if I could be informed briefly by telegram of any explanations Lipski may have supplied.

With cordial greetings and Heil Hitler!⁵

MOLTKE

¹ For the text of Beck's speech at the League Council's meeting on Apr. 16, see League of Nations: *Official Journal*, May 1935, pp. 553-554.

² See Editors' Note, p. 65.

³ Marginal note in Meyer's handwriting against this paragraph: "No."

⁴ i.e., Apr. 25; Easter Sunday fell on Apr. 21.

⁵ Marginal notes: (i) "H[err] Moltke had already received my memorandum of Apr. 15 [document No. 30] on my conversation with Lipski—I am not aware of anything further. M[eyer], Apr. 24." (ii) "[To the] St[ate] S[ecretary]. Please return. M[eyer]." (iii) "I believe we have all misinterpreted Beck's speech. It was probably only a protest against the methods adopted at Stresa (three Great Powers—without Poland) and had nothing further to do with the question (Germany—Treaty of Versailles). We must await the... [?] full texts. B[ülow], Apr. 24." In a letter to Moltke of Apr. 29 (6174/E463040), Meyer quoted Bülow's marginal note [(iii) above] and added that, apart from the information contained in document No. 30, the Foreign Ministry knew no more about Beck's motives than Moltke.

No. 42

8921/E624808-10

The Legation in Lithuania to the Foreign Ministry

STRICTLY CONFIDENTIAL

A 576

KOVNO, April 19, 1935.

Received April 22.

IV Rd. 1928.

With reference to our report A 562 of April 15¹ and our telegram No. 18 of April 19.²

Subject: The Memel *démarche* by the Signatory Powers made in Kovno on April 19.

I have learned, in strict confidence, that, on their Governments' instructions, the British, French and Italian representatives, on April 19, communicated to Foreign Minister Lozoraitis a Note on the Memel question signed by all three of them jointly.

The Note, which I was unofficially allowed to see, and which was couched in very courteous terms, began by declaring that the British, French and Italian representatives had, during the Stresa Conference, exhaustively discussed the situation in the Memel Territory, which was causing them grave anxiety. In particular they had examined the Lithuanian *exposé* communicated, on April 5, to the representatives of the three Signatory Powers in Kovno by the Lithuanian Foreign Minister in reply to the declarations made to the Lithuanian Ministers in Rome, Paris and London.³

The Note went on to state that the three Governments did not wish to enter into discussions with the Lithuanian Government on individual points in the *exposé* of April 5. Their position was that of Signatories to a Treaty which granted Lithuania sovereignty over the Memel Territory and which laid down a Statute for the Memel Territory. It was therefore their right and duty to ensure that the provisions of this Statute were observed.

The Signatory Powers then emphasized that the basis of the system of government in the Memel Territory was the orderly functioning of the Landtag and the existence of a Directorate enjoying the confidence of the Landtag. They were indeed aware of the difficulties with which the Lithuanian Government were confronted in constituting a Directorate, but they would point out that a spirit of moderation and loyalty on all sides was a precondition for the satisfactory functioning of the autonomous régime within the sovereignty of the Lithuanian State.

¹ Not printed (8921/E624797-803). Enclosed with this report was a copy of the Lithuanian *exposé* of Apr. 5.

² Not printed (8921/E624805).

³ In telegram No. 14 of Apr. 5 (8921/E624780) Zechlin reported on the Lithuanian reply (see footnote 1 above) to the Signatory Powers' *démarche* of Mar. 13 (reports on which have been filmed on Serial 8921).

The present position in the Memel Territory was that the Directorate did not fulfil this condition, and that the Landtag had not met for almost a year. The three Governments could not view a continuation of this state of affairs without grave anxiety, and must request the Lithuanian Government to put an immediate end to this situation and thus to make possible the constitution of a Directorate enjoying the confidence of the Landtag.

Should this request not be met, the Signatory Powers would be forced to raise the matter with the League of Nations in accordance with Article 17 of the Memel Convention. Since, in their *exposé* of April 5, the Lithuanian Government had stated that they were prepared to make every effort to meet the wishes expressed by the Signatory Powers, they hoped for immediate compliance with their demand.

In conclusion, the representatives here of the Signatory Powers stated that, since the Foreign Ministry had been closed for the past few days, they had not been able personally to communicate the Note to the Foreign Minister, but that they would be available for discussion and to receive a reply after the Easter holiday.

A further report may follow.

MOHRMANN

No. 43

8682/E607370

The Ambassador in Turkey to the Foreign Ministry

Telegram

No. 70 of April 21

ANKARA, April 21, 1935—2:05 p.m.

Received April 21—4:15 p.m.

II Abr. 940.

The Note¹ was presented yesterday. The Acting Foreign Minister² said he regretted the Geneva resolution as being superfluous and unfavourable to the work of coming to an understanding. Turkey did not in any way look askance at the re-establishment of a standing Germany army but even welcomed it, both for reasons of general policy and because the Turkish army hoped for a favourable opportunity to improve its own equipment by drawing on the German arms industry. Tewfik Rüstü³ had been obliged to support the resolution because as President of the Council he had to . . . (word missing?) special consideration and had to keep Bulgaria in mind, whose unilateral rearmament was unacceptable to Turkey. In fact, the Turks could only approve Bulgarian rearmament in exchange for

¹ See document No. 36, footnote 2.

² Sükrü Kaya, Turkish Minister of the Interior.

³ Tewfik Rüstü Aras, Turkish Foreign Minister.

a revision of the Straits Statute.⁴ For this reason Tewfik Rüstü had already given notice in Geneva of Turkey's wishes in respect of the Dardanelles.⁵ Sükrü Kaya expressed his regret that the Turkish Foreign Minister, after an agreeable Council session on the Saar question, had, in consequence of an unfortunate chain of circumstances, also had to preside over the disagreeable Council session on universal military service.

ROSENBERG

⁴ i.e., the Convention Relating to the Régime of the Straits, signed at Lausanne on July 24, 1923; for the text see League of Nations: *Treaty Series*, vol. xxviii, pp. 115-137.

⁵ For Tewfik Rüstü's speech to the League Council, in his capacity of Turkish representative, on Apr. 17, see League of Nations: *Official Journal*, May 1935, p. 562.

No. 44

6695/H102703-07

The Ambassador in France to the Foreign Ministry

Telegram

No. 430 of April 21

PARIS, April 22, 1935.

Received April 22—2:30 p.m.

IV Ru. 1563.

It has for some time been noticeable that the Franco-Russian policy initiated by Barthou has met with a certain amount of criticism among the general public. The announcement of our law on military service,¹ and the building up of our air force, however, came most opportunely for the supporters of this policy, e.g. Herriot, and were extensively made use of in a press campaign against Germany and for propaganda calling for the restoration of the closest possible relations with Russia as the best means of achieving security against the imagined German danger. It can also be safely assumed that French public opinion would, with a few exceptions, welcome a *rapprochement* with Russia as providing political and military security against Germany; but, nevertheless, opinions differ as to how Franco-Russian relations should be developed. Russia's desire to achieve a military alliance, automatic in operation, between the two countries, is meeting with opposition not only from Soviet Russia's doctrinal opponents but even amongst the absolute majority on² the Left. This opposition may be attributed not only to the heavy losses suffered by those who, before the war, had owned Russian securities, but also to the belief, widely held in France, that Russia's collapse, frequently described as treachery, appreciably prolonged the World War and thus cost France much blood. Moreover, the French *petits*

¹ Of Mar. 16, 1935; see vol. III of this Series, document No. 532.

² The words "the absolute majority on" are marked as doubtful in transmission; they do not appear in the Paris draft (M198/M006171-75).

rentiers and peasants disapprove of the radicalization of the Left-wing parties here, especially the formation of the "*front commun*", i.e., the Socialist-Communist bloc. They fear that the Communist wing may be strengthened by the mounting economic crisis and see in this a threat to their own interests. It is these classes of Frenchmen, too, who, in spite of the German action of March 16, which they regard as a serious threat to France, are still of the opinion today that, before unconditionally uniting French and Russian policy, one should, in spite of everything, make one more effort jointly with Germany to find some formula which would remove France's feeling of being directly threatened and make possible a *modus vivendi* with us. They are looking to Laval to do this, whom, on account of his origins alone, they regard as the best representative of their way of thinking and who, for his part, certainly desires an understanding with us.

It is to be expected that in the immediate future more and more voices will be heard in the press and at the forthcoming local elections protesting against a policy designed to commit France unconditionally to Russia. In this connection the article which Senator Leméry published in the *Journal de Genève* last Wednesday,³ i.e., in the middle of the Council's session,⁴ is worthy of note, since it expresses not only his own opinion but that of the circles referred to above. Furthermore, I have learned that parliamentary quarters, particularly members of the Senate Committee for Foreign Affairs, have been urging Laval to exercise caution and the greatest reserve in negotiations with Russia and not to enter into any agreements which might conflict with the Covenant of the League of Nations. These, together with the fact that the agreement with the Russians has not been initialled, will doubtless have been the main reasons for the Foreign Minister's non-committal attitude towards the Russians at Geneva. (I am here leaving out of account the difficulties which have arisen in negotiating a considerable Russian loan in France, on which a special report follows.)⁵ I am further informed that Laval's hesitancy led to violent arguments between him and the representatives of the Little Entente, particularly MM. Titulescu and Beneš, during the Geneva meeting, in the course of which they seem to have accused him of being weak and even of being unreliable.

At the Cabinet meeting the day before yesterday, too, when Laval reported on the results of the Geneva negotiations, it appears that several members of the Cabinet were more critical of the projected pact than they had previously been, and demanded that any clauses committing France to rendering automatic assistance should be avoided whatever happened, that the pact should be kept strictly

³ Apr. 17.

⁴ See Editors' Note, p. 65.

⁵ Report A 1965 of Apr. 26 (M196/M006133-34).

within the limits of the Covenant of the League of Nations, and that France should not surrender the advantages accorded her under the Locarno Treaty. It would seem particularly noteworthy that, as I have learned, Laval negotiated with the Russians at Geneva about introducing into the pact a clause making France's obligation to assist dependent upon the guarantors of the Locarno Treaty⁶ being unanimously agreed that Germany had provoked war with Russia. The Russians are said to have categorically rejected this reservation. These developments will not, in my opinion, prevent a Russo-French treaty from being concluded, but nonetheless there is every prospect that the new treaty will differ from the original draft on the point which matters most to us, namely, France's obligation to render assistance. The fact that Laval's journey to Moscow⁷ has been postponed until after the local elections, and that Litvinov, despite his original intention, has not appeared in Paris, indicates that French foreign policy is in fact about to abandon the basis created by Barthou and Herriot, which would after all mean that Russia had failed in this respect.

I shall watch future developments very closely. I would request that our press be restrained from displaying the undue optimism over these developments which, for instance, they displayed, to an almost ludicrous degree, during the Council's session at Geneva. Every press comment on our part which expresses satisfaction over the present cooling of Franco-Russian relations will not only be made use of by those in favour of the closest possible relations with Russia, but may also render suspicious those who advocate a more cautious policy. I would consider the best thing would be for any press discussion of this extremely delicate topic to be forbidden altogether until such time as the situation has become clearer.⁸

KÖSTER

⁶ i.e., Great Britain and Italy.

⁷ Laval announced his intention of visiting Moscow during a speech in the French Senate on Mar. 26. The visit was at first expected to take place in the second half of April (see *The Times* of Mar. 27, 1935), but on Apr. 19 it was announced in Paris that it was likely to be postponed until after the municipal elections on May 5 and 12 (see *The Times* of Apr. 20, 1935).

⁸ Marginal note in Hey's handwriting: "Courier, Moscôw. With regard to the last paragraph, Counsellor Wolff has taken the necessary steps in the Press Department." Copies of the document here printed were sent to Moscow and Warsaw on Apr. 24 and 25 respectively (6695/H102708-09).

No. 45

6691/H098431-33

The Foreign Ministry to the Reichswehr Ministry

URGENT

BERLIN, April 24, 1935.

Sent May 3.

zu IV Ja. 445.¹

For the attention of Colonel von Stülpnagel.

With reference to your letter No. 1157/35 geh. Ausl. I b of April 12.¹

In normal conditions there would scarcely be any objection to the fact-finding mission proposed by Colonel Ott.

As you know, however, Colonel Ott enquired some time ago, *after* agreement with the Japanese General Staff, whether he might go to China in order to establish contacts between the German Military Mission in Nanking and the Japanese military authorities there; his purpose, according to his telegram, was to persuade the Nanking Mission to exert influence on Chiang Kai-shek in favour of a Sino-Japanese *rapprochement*, and at the same time to dispel Japanese distrust of the activities of the German advisers. In agreement with the Reichswehr Ministry, the Foreign Ministry had at that time requested that this visit be not approved. It was held that such activities on the part of the accredited German Military Attaché in Japan would have been detrimental both to the German Military Mission in China and to Germany's political relations with China. The German Minister in Peking and Colonel General von Seeckt were also emphatically opposed to Colonel Ott's plan.²

The political situation generally has not changed. It is absolutely essential that the German authorities should abstain from any direct or indirect interference in Sino-Japanese affairs. After the detailed discussions between Colonel Ott and the Japanese General Staff on the above question, it is hardly possible at present for a visit by the Military Attaché to Shanghai, etc., not to appear to be of political import. Nor does the fact that there are naturally no official Japanese objections to this visit make any difference.

I would like to point out once again in this connection that neither the Japanese point of view, nor the question of furthering the interests of the German Mission in Japan, can be decisive in considering such visits; the decision must, to an equally large extent, be made contingent on a political evaluation of the whole situation in East Asia, and especially on an assessment of the usefulness of such visits to German-Chinese relations in all their complex ramifications.

By order:

MEYER

¹ Not printed (6691/H098427-30); this forwarded a letter dated Mar. 15, 1935, from Col. Ott, Military Attaché in Japan.

² See vol. III of this Series, documents Nos. 153, 157 and 168.

No. 46

7467/H182468-72

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Airgram

No. 107 of April 25

LONDON, April 25, 1935.

Received April 26.

II Abr. 996.

With reference to our telegram No. 100.¹

On the basis of various discussions between members of the Embassy and authoritative Foreign Office officials, supplemented by reports from reliable informants, I will attempt to give below an assessment of the policy pursued by the British Ministers at Stresa and Geneva, and of the situation which has arisen therefrom:

In our telegram under reference it has already been pointed out that the British representatives will find it very hard "successfully to continue in the path, which they are still following at the moment, of safeguarding *general* peace without encircling Germany". The British representatives went to Stresa intending to leave it open to Germany to take part in a European guarantee of peace, and not meaning to take on any further commitments; and they can justifiably claim that literally at least they have succeeded in carrying through these principles. During a conversation yesterday, Sargent² particularly stressed the fact that the British had succeeded in persuading other Powers to continue the joint policy laid down in the Anglo-French Memorandum of February 3,³ in spite of the fact that universal military service had meanwhile been introduced in Germany, and that this policy had not been given up or a three-Power agreement against Germany concluded. Besides this, the British claim to have considerably modified the French draft of the Geneva resolution,⁴ which was originally conceived much more harshly.

Although it is to be welcomed that the British have not abandoned the policy of including Germany in international negotiations and openly gone over to the French-Italian camp, yet the main emphasis of the Stresa Conference unquestionably lies on the achievement of a surprisingly close understanding between the three Powers and of a far-reaching concession by Britain to France in the question of the treatment of the Geneva resolution. As it has been unanimously described to me, the Stresa Conference was primarily a conference of Prime Ministers, at which Mussolini, in close cooperation with Vansittart,⁵ took the lead in a markedly anti-German spirit. It will be

¹ Of Apr. 11. Not printed (2368/494107-10).

² Orme Garton Sargent, Assistant Under Secretary of State in the Foreign Office.

³ For the text of the Joint Declaration see British Blue Book, Cmd. 5143 of 1936, No. 5. See also vol. III of this Series, documents Nos. 479, 483, enclosure, and 490.

⁴ See Editors' Note, p. 65.

⁵ Sir Robert Vansittart, Permanent Under Secretary of State for Foreign Affairs; Private Secretary to the Prime Minister from 1928 to 1930.

known from our reports⁶ that in recent months MacDonald has increasingly held Germany responsible for the collapse of his disarmament policy, and his participation, like that of Vansittart, his former Private Secretary and his personal friend for many years—it was decided only at the last minute that Vansittart should take part—has undoubtedly influenced British policy in favour of concessions to meet French and Italian wishes. It would, however, be entirely incorrect to assume that these personal feelings alone have been decisive for British policy; we should rather see its foundation primarily in the fear, which becomes increasingly noticeable here, of an ever-growing German rearmament in all spheres, but especially in the air. It is precisely this question which is said to have played a decisive part at Stresa. Growing nervousness on this subject may also be observed in political circles here; it finds expression, *inter alia*, in press attacks such as the *Morning Post's* vigorous campaign against German naval claims, begun a few days ago.⁷

The results of Stresa are naturally regarded by the Foreign Office as a great success in the light of that Office's political attitude. Vansittart's personal assistant told one of our informants, with reference to the strong emphasis placed by MacDonald in his statement in the House of Commons⁸ on the understanding between the three Powers achieved at Stresa, that this solidarity did in fact represent a decisive turn of events, and meant that it had been decided, as a last resort, "to meet force by force".⁹ MacDonald and Simon had gone to Stresa as mediators, but they had gone away as members of a united group of States.

Concerning the Geneva meeting and the allegedly strong influence brought to bear, especially by Simon, on the other members of the Council to get them to vote for the French resolution, the view obtains here that, after a joint resolution had been agreed upon at Stresa—and here it is repeatedly emphasized that the French had to modify the text considerably at British insistence—Britain had naturally, since she has made the League of Nations the centre of her international policy, to be careful not to prejudice the prestige of the League of Nations by voting inconsistently.

The result of Stresa is regarded by the public here as a far-reaching *rapprochement* on the part of Britain to the Franco-Italian policy; as such it has not been subjected to any criticism worth mentioning, probably because the resolution places the continuation of the general peace policy in the foreground and lays no fresh obligations

⁶ See vol. III of this Series, documents No. 28 and footnote 6 thereto, and No. 519.

⁷ The reference is to the articles entitled "Germany's Naval Plans" which appeared in the *Morning Post* on Apr. 24 and 25, 1935, and which were sent to the Foreign Ministry as enclosures to reports A 1447 and A 1454 of Apr. 25 (M99/M003281-85).

⁸ On Apr. 17, 1935. See *Parl. Deb., H. of C.*, vol. 300, cols. 1851-1854.

⁹ In English in the original.

on Britain. On the other hand, the Geneva decision was sharply criticized in Left-wing papers, but also especially in *The Times*; this was echoed throughout the country, as is shown by the considerable number of letters to a wide variety of papers.

From the German point of view it must be pointed out that, as far as Britain is concerned, the overall political result of the Stresa meeting and of the events at Geneva appears to be to have made imminent the danger that Britain may finally give up the course, followed so far, of including Germany in the international system. The assertions, on the one hand, that the door has not been slammed shut¹⁰ and, on the other, that there is no question of a revival of the Entente, cannot hide the fact that it is considered here that the first of these assertions requires German concessions going beyond the Berlin conversations,¹¹ and that, as regards the second assertion, a state of affairs has come into being which, at least in spirit, resembles the pre-war Entente. The latter development may become more clearly evident in the next few months and may even lead to the conclusion of bilateral treaties among the Stresa Powers, as it becomes more difficult to achieve agreement in various spheres of armaments.

The Government are of course aware that a development in this direction, which is already being energetically opposed by a number of important politicians, by part of the press, for instance *The Times*, and also by large masses of the people, cannot be carried through unless public opinion is carefully conditioned to regard Germany as the trouble-maker. There are a growing number of indications that the Government are already taking this task in hand, and that, in view of the known fact that the influence of foreign politics on British public opinion is slight, it is not at all a hopeless one. MacDonald's article, which is to appear in the *News-Letter* tomorrow,¹² and which accuses Germany in exceptionally severe terms of being responsible for the failure of international efforts for peace, and clearly states that German military expansion will inevitably transform the peaceful idea of a general collective security system into dangerous military alliances, should also be assessed in this sense.

The next step in foreign policy here will be the debate in the House of Commons on May 2. In the middle of May, the conversations on the international situation with the Prime Ministers of the Dominions, who will be meeting on the occasion of the Royal Jubilee,

¹⁰ In the course of his statement on Apr. 17 (see footnote 8 above) Macdonald said, "... we have kept the door open for Germany to join as an active partner in the movements we have planned to create a system of collective security in Europe".

¹¹ See vol. III of this Series, documents Nos. 555 and 564.

¹² According to a DNB bulletin of Apr. 25 (5740/H031984-89), which contained a German translation, entitled "Peace, Germany and Stresa", of this article, it was written for publication in the *News-Letter* on Apr. 27; the text was issued in the Press Bulletin of the National Labour Committee on Apr. 25 with an embargo on general publication before Apr. 26; an extract was, however, published in the *News Chronicle* on Apr. 25, 1935. For the full text see also *The Times* of Apr. 26, 1935.

will take place. In the circumstances described, the Anglo-German naval discussions, which may also take place in May, will be of considerable psychological importance.

BISMARCK

No. 47

8797/E613380-82

Memorandum by the Director of Department III

BERLIN, April 25, 1935.

III E 1432.

The Prime Minister of the Union of South Africa, General Hertzog, will be staying in London during the next few weeks in order to take part in the Jubilee celebrations.¹ This has given rise to the suggestion, made in German quarters here, that the German Government should invite General Hertzog to visit Germany.

There is no reason, in my view, for Germany to take any initiative in this matter. General Hertzog, it is true, inspired by his old affection for Germany, undoubtedly tries to understand the *new* Germany as well; he has repeatedly expressed his admiration for the Führer and Chancellor and for Germany's achievements. But this personal attitude is, nevertheless, not sufficiently marked to have had any notable influence on the South African Government's narrow-minded view of German interests in South Africa, and especially in South-West Africa. The South African Government have so far done nothing, despite many starts and promises, to check the agitation against Germany in the English-language, Jewish-dominated press in South Africa or to oppose the boycott of German goods and services which has been particularly effective there.² Furthermore, although the Government three years ago acknowledged Germany's renunciation of certain customs preference rights, due to her under the Commercial Treaty,³ they have failed to keep their part of the bargain, namely, to permit German as the official language in South-West [Africa].⁴

¹ The celebrations in connection with the Silver Jubilee of King George V took place on May 6-9, 1935.

² Telegrams and reports from the German Consulate General (subsequently the Legation) in Pretoria on these subjects have been filmed on Serials M170-M172.

³ The Treaty of Commerce and Navigation, with Protocol, between the Union of South Africa and Germany, signed at Pretoria, Sept. 1, 1928 (see League of Nations: *Treaty Series*, vol. xcv, pp. 289-324), was amended by an exchange of Notes of Oct. 13, 1932 (see *Reichsgesetzblatt*, 1932, Part II, p. 216).

⁴ The files of Referat III K[olonien], which dealt with the affairs of the former German colonies, are not held, and no record of an agreement on this subject has been found; but in a letter to the Reich Chancellery (M169/M005412-13) dated Oct. 18, 1932, submitting the Notes of Oct. 13, 1932 (see footnote 3 above), to the Cabinet for approval, Neurath stated: "As their part of the bargain the South African Government have met [*entgegengekommen*] our wishes in the language and citizenship question for the Germans in South-West Africa."

Finally, last year, they disbanded the Hitler Youth [movement] in South-West [Africa], banned the NSDAP in South-West [Africa], and expelled the Landesgruppenführer.⁵ In answer to the protests⁷ and representations of Minister Wiehl,⁶ General Hertzog stated as recently as the 9th of this month that the Union Government were not prepared at present to enter into discussion on the question of readmitting the Party or even to give an assurance to that effect.⁷

If—as can hardly be expected—however, General Hertzog should give any sign of wishing to be invited to Germany, a new situation would arise. In this case a decision of the Führer and Chancellor would first have to be obtained.

I request authorization to instruct the Embassy in London in the above sense.

Herewith respectfully submitted to the Foreign Minister via the State Secretary.⁸

DIECKHOFF

⁵ The Hitler Youth movement was disbanded on July 12, 1934, the NSDAP banned on Oct. 29, 1934, and Major Weigel ordered to leave the Territory within three weeks on Nov. 1, 1934; see *The Times* of July 13, Oct. 30, and Nov. 2, 1934.

⁶ Emil Wiehl, German Minister in South Africa, previously Consul General and Chargé d'Affaires there.

⁷ No record of this part of Wiehl's conversations with Hertzog (which took place on Apr. 8 and 9) has been found; Wiehl reported on other aspects of the conversations on Apr. 10 (M173/M005491-93).

⁸ Marginal note: "In spite of the objections expressed above I would regard a visit by H[ertzog] as useful. Admittedly an official German invitation is out of the question; but perhaps Hoesch or some other member of the Embassy could make a suggestion to H[ertzog] in the course of conversation. v. N[eurath], Apr. 27." A copy of the document here printed was sent to the Embassy in London on Apr. 29 (8797/E613383). In despatch A 1540 of May 4 (8797/E613384) Hoesch reported that he had asked Hertzog on May 3 whether he would have time to visit Germany. Hertzog replied that, much to his regret, his time was already fully booked, but he would welcome a conversation with Hoesch. No record of any such conversation has been found.

No. 48

5562/E396582

Minute by an Official of Department II

SECRET

BERLIN, April 25, 1935.

zu II M 868.¹

As instructed, I have discussed the matter with Colonel von Stülpnagel on the lines of the State Secretary's note.² After consultation with Lieutenant Colonel von Böckmann, the latter told me that they both entirely agreed with the State Secretary's view that it would be inopportune at the moment to supply prohibited arms to Bulgaria. As soon as a relevant Bulgarian request had been received in the normal way through the Military Attaché—this has not been

¹ Document No. 14.

² See document No. 14, footnote 2.

the case so far—the Ordnance Office, which, because of the political nature of the transaction, is subject to the decision of the Foreign Department [*Abteilung Ausland*] and the Foreign Armies Department [*Abteilung fremde Heere*], would be instructed in this sense. Moreover, Herr von Stülpnagel was of the opinion that the matter might perhaps come to nothing, if only because, as far as could be foreseen, we were in no position at present to supply any considerable quantity of arms abroad, since we were only able to meet our own requirements with difficulty.

Respectfully submitted herewith to Senior Counsellor Frohwein.

v. BÜLOW

No. 49

8694/E607812-15

The Ambassador in Poland to the Foreign Ministry

No. 767

WARSAW, April 25, 1935.

Received April 27.

II Abr. 1021.

POLITICAL REPORT

Subject: The speech and vote of the Polish Foreign Minister at Geneva.

The attitude of the Polish Foreign Minister at Geneva and his approval of the French draft resolution¹ have caused a certain amount of sensation and surprise not only in diplomatic circles here but also in Polish political circles. Especially after Beck's speech at Geneva, people here had been confidently expecting that he would abstain from voting. All kinds of theories are consequently being built up on the fact that he did vote, and many people regard it as a sign that the Polish Government have, because of the reintroduction of universal military service in Germany² and of other recent events, embarked upon a revision of their policy towards Germany.

It is undoubtedly true that the Polish Government, although they have always reckoned with the possibility of German rearmament, are worried by the decisions of March 16, which went beyond what they expected. It may also be true that the conclusion of the German-Russian economic agreement³ and the speeches of German Reich Ministers in Danzig⁴ have given rise to a certain amount of disquiet. But so far there are no indications at all that the Poles intend to deviate from the policy of understanding which has been

¹ See Editors' Note, p. 65 see also document No. 41 and footnotes 1 and 5 thereto.

² Universal military service had been reintroduced in Germany on Mar. 16, 1935. See also vol. III of this Series, document No. 532.

³ See document No. 20.

⁴ See document No. 18, footnote 4.

adopted towards Germany.⁵ The Polish Government would probably not be displeased if somebody else were to debar Germany from rearming without their having to act themselves. But it could certainly not have been their intention to take part in a practically useless demonstration which would only tend to influence unfavourably their relations with Germany. The vote can, therefore, hardly be assessed in this sense.

As far as I have been able to discover from sources which originate from a member of the Polish delegation, M. Beck, when he set out for Geneva, had no intention at all of being concerned in a decision which discriminated against Germany. He had, rather, assumed that a *rapporteur* would, as usual, have been appointed and that, in the discussion on the report to be submitted, it would have been possible to bring about a watered-down resolution couched in League of Nations language and avoiding unnecessary harshness. On the assumption that Britain would work towards this end, Marshal Pilsudski⁶ had directed M. Beck to follow the British Ministers closely. The subsequent course of events in Geneva seems to have been a surprise to M. Beck and to have placed him in a difficult position. Whether, at the time when he delivered the speech which he had already prepared in Warsaw, he was already convinced that he had no choice but to vote for the French draft, is doubtful. In any case, decisive telephone conversations with Marshal Pilsudski appear only to have taken place after the speech. Probably, therefore, he had not yet been given permission to vote; otherwise he would have worded his speech differently, so as to avoid the contradictory impression made by his vote. The pressure brought to bear on M. Beck seems to have been extremely strong. The French threatened to denounce the alliance, while the British and Italians laid particular stress on repercussions on the shaping of the Franco-Russian Pact. The Polish minority declaration of September, 1934,⁷ is, on the other hand, said to have played no part in the discussions. Furthermore, the idea seems to have obtained amongst the Polish delegation that the Geneva resolution was only of formal importance and would have no practical consequences for Germany; it also seems that they were of the opinion that Beck's speech—which was regarded as very important—had clearly expressed the will to continue their present policy of independence.

Count Szembek,⁸ with whom I spoke today on another matter, was obviously embarrassed and tried to avoid a discussion of the events at Geneva by pointing out that, as a result of the Foreign Minister's

⁵ Presumably a reference to the German-Polish Declaration of Jan. 26, 1934. See vol. II of this Series, document No. 219.

⁶ Marshal Józef Pilsudski, Polish Minister of War and Inspector General of the Army.

⁷ See vol. III of this Series, document No. 210 and footnote 1 thereto.

⁸ Count Jan Szembek, Under Secretary of State in the Polish Foreign Ministry.

absence, he had not yet formed a clear picture and that we would have to await Beck's return.⁹

V. MOLTKE

⁹ The document here printed is marked: "The Führer is informed. M[eerwal]d, May 3."

No. 50

4602/E189944

Note by the State Secretary

BERLIN, April 26, 1935.

[e.o. II Abr. 1011].¹

The Führer and Chancellor's adjutant telephoned me today at 11:30 a.m. and communicated the Führer's instructions to summon the British Ambassador and give him the following reply to the British invitation:²

"The German Government thank His Britannic Majesty's Government for the invitation to send a delegation to London at the beginning of May for conversations on naval questions which, during the British Ministers' visit to Berlin, it was agreed to hold and of the usefulness of which the German Government are convinced. The German Government intend to make, in the second week of May, a statement on foreign policy in reply to the resolution of the League of Nations Council of April 17,³ and therefore ask His Britannic Majesty's Government to postpone the naval conversations until this statement has been made. On the assumption that His Britannic Majesty's Government agree to this procedure, the German Government will then have the honour to propose a new date for the conversations."

The Minister and Admiral Raeder have been informed by telephone.⁴

BÜLOW

¹ Taken from another copy (7468/H182926).

² See document No. 51, enclosure 1, and footnote 2 thereto.

³ See Editor's Note, p. 65.

⁴ In a further memorandum of Apr. 26 (3154/671171) Bülow recorded that he had that afternoon informed the British Ambassador as instructed.

No. 51

7468/H182919-22

The Reichswehr Minister to the Foreign Ministry

795 M I geh.

BERLIN, April 26, 1935.

Received April 26.

II Abr. 1006.

Subject: Preliminary naval conversations with Britain.

I have the honour to bring to the attention of the Foreign Ministry

herewith the record of a conversation of April 25 between the Chief of the Naval Command, Admiral Dr. *h. c.* Raeder, and the British Naval Attaché in Berlin, Captain Muirhead-Gould.¹

By order:
BÜRKNER

[Enclosure 1]

SECRET

zu 795 M I geh.

RECORD OF A CONVERSATION ON APRIL 25, 1935, BETWEEN THE CHIEF OF THE NAVAL COMMAND, ADMIRAL DR. *h. c.* RAEDER AND THE BRITISH NAVAL ATTACHÉ IN BERLIN, CAPTAIN MUIRHEAD-GOULD.

A. The British Ambassador in Berlin conveyed to the State Secretary of the Foreign Ministry on April 23 his Government's invitation to Germany to attend preliminary naval conversations in London on May 1;² subsequent to this the British Naval Attaché on April 25 read to the Chief of the Naval Command the statement from the First Sea Lord contained in the annex.

In this connection the Naval Attaché made the following detailed observations:

1. Since the question was originally introduced in the conversations which the Führer and Chancellor had with Simon and Eden³ and was basically a political one, the British intention was to start the conversations with a short political introduction.

2. It was therefore thought that the delegations might be composed approximately as follows:

On the German side:

A political personage,

An Admiral,

The German Naval Attaché in London (if Germany should think it desirable),

A further German Naval officer.

On the British side:

A political personage from the Foreign Office,

An Admiral,

A further naval officer.

¹ Marginal note: "It is clear from the third point of the memorandum [see enclosure 2] handed over by the British Nav[al] Att[aché] that the basis of the impending naval conversations will be different from what was first assumed by the German Naval Staff.

1) Herr v. Ribbentrop. 2) III Engl[and] for information. v. Schm[ieden], Apr. 27."

² In a memorandum of Apr. 23 (7468/H182910) Bülow recorded that the Ambassador had proposed that the conversations should begin on May 1 or as soon as possible thereafter.

³ See vol. III of this Series, document No. 555.

3. Discussions would take about two days and be spread over three or four meetings, of which the first should be political in character and the others should be reserved for the exchange of views between the experts.

B. The Chief of the Naval Command thanked the Naval Attaché and took note of his remarks, observing that he would pass them on to the appropriate political authorities for decision.

C. (a) After putting his proposals to the Chief of the Naval Command, the Naval Attaché asked the Liaison Officer, Naval Command, if in his opinion the Führer, as a result of the Geneva resolution,⁴ would withdraw his consent to preliminary naval conversations, as given to Simon and Eden. He was told that the answer to this was not known.

(b) The Naval Liaison Officer remarked that the proposed date (May 1) involved rather short notice; the Naval Attaché then said that the invitation remained open from May 1 onwards, and Germany could choose a convenient date.

(c) In reply to questions, the Naval Attaché said that on the British side no announcement had yet been made about these discussions; he was told that on our side a similar procedure would be adopted.

M. J. A.
M I
BÜRKNER

[Enclosure 2]⁵

AIDE-MÉMOIRE OF A STATEMENT MADE BY THE NAVAL ATTACHÉ TO
ADMIRAL RAEDER, CHEF DER MARINELEITUNG, ON 25TH APRIL,
1935.

The 1st Sea Lord of the Admiralty has instructed me to give You a personal message from him, as from one Naval Officer to another. The message is in no way official, but as You have, in the past, been so kind as to keep us informed in advance of Germany's attitude towards naval disarmament, and recently of Germany's building programme for 1935, the 1st Sea Lord wishes to reciprocate by sending you advance information about the naval conversations which, it is hoped, will take place shortly between Great Britain and Germany.

In the first place, the 1st Sea Lord wishes to extend a sincere welcome to the German Naval Officers you may select to form the mission.

Secondly, he wishes you to know that the discussions will be of a general nature. It is hoped that it will be found possible for Ger-

⁴ See Editors' Note, p. 65.

⁵ This enclosure is in English in the original.

many and Great Britain to reach agreement on the subject of qualitative limitation of naval armaments. (Great Britain's views on this limitation were made public in 1932.)⁶

Thirdly, it is hoped that Germany will be prepared to put forward a general outline of her minimum naval requirements up to 1942 in the form of a building programme, it being understood that this programme would not necessarily be considered binding. This procedure is being adopted with all the Naval Powers, and it is hoped that it will give more chance of general agreement than any system of ratios or percentages.

MUIRHEAD-GOULD, Captain, R.N.
Naval Attaché

⁶ Presumably an allusion to the statement made by the First Lord of the Admiralty, Sir Bolton Eyres-Monsell, in the House of Commons on November 30, 1932; for the text of this statement see *Parl. Deb., H. of C.*, vol. 272, cols. 882-891.

No. 52

7790/E560065

*Memorandum by an Officer of the Naval Command*¹

SECRET

BERLIN, April 26, 1935.

M I 796 geh.

SK 95 geh.

Subject: Conversation with the British Naval Attaché on April 25, 1935.

According to instructions given in M I 765 geh.^{2/35}, the British Naval Attaché was informed on April 25, 1935, in the prescribed oral form, about the facts of submarine construction in Germany. An article in the *Daily Telegraph* of April 25 about German submarine construction served to introduce the subject.

The Naval Attaché first of all expressed astonishment, as he had thought himself to have been fully informed about the immediate German naval construction plans on April 7 [*sic*], 1935,³ before his departure for London—and had supposed that there was for the present no intention “to build submarines”. The decision to start

¹ Copies were addressed to A(III), SK, M IV (also for Naval Attaché, London) and W.A. Ausl.

² This memorandum (7790/E560054); by Bürkner, dated Apr. 25, reads as follows: “The Chief of the Naval Command gave permission on Apr. 24, 1935, for the following release in continuation of that contained in M I 702 geh. [see document No. 25, footnote 2]:

1) Admission of construction of submarines. 12 small boats of 250 tons on the slipways; no other figures to be given.

2) Execution of defensive measures in the Kiel rectangle.

Re 1 and 2: Do *not* start a conversation. For the time being the announcement is to be made only to the British Naval Attaché.

3) No information is to be given about the measures taken in Heligoland.”

³ Presumably a reference to the conversation of Apr. 12; see document No. 25. No record of a conversation of Apr. 7 has been found.

on submarine construction might, he supposed, have been taken only after his departure for London.

The Naval Attaché was told again that in the conversation of April 7, 1935, the question of submarines had been left open; apart from that, the Führer had expressly told Simon and Eden that all military measures thought necessary for the defence of Germany were already under way.

The Naval Attaché asked how long the construction would take; he supposed over a year? He was told: Considerably less. The intention is to inform him at the next opportunity (April 26)⁴ more accurately of the actual construction period, pointing out that far-reaching preparations have been made.

M. J. A.
M I
BÜRKNER

⁴ See document No. 54.

No. 53

9398/E665546-47

Memorandum by the Deputy Director of the Economic Department

[EXTRACT]¹

BERLIN, April 27, 1935.
W.H.A. 636.

MEETING OF THE COMMERCIAL POLICY COMMITTEE ON APRIL 26, 1935

CONFIDENTIAL

No. 14

Present²: Min[isterial]dir[ektor] Wohlthat, Reich Office for Foreign Exchange Control; Reichsbank Director Jost, Reichsbank; Oberregierungsrat Friebe, Reich Ministry of Transport; Reichsbahn Director Holtz, German Railways.

I POLAND

The Polish proposal³ to enter into negotiations with a view to settling the balance of trade should not in principle be rejected. We should, however, make it an essential pre-condition that the exchange

¹ Only the item concerning Poland has been reproduced here; the full record of this session has been filmed as 9398/E665546-48.

² The Commercial Policy Committee [*Handelspolitischer Ausschuss*] consisted of representatives of the Foreign Ministry and the Reich Ministries of Finance, Economics and Food and Agriculture; other Ministries and departments were from time to time invited to be represented. The representatives of the regular members are not shown on the lists of those present.

³ Made through Counsellor of Embassy Prince Lubomirski to Meyer on Apr. 11 and recorded by the latter in a memorandum of even date (9391/E665334-36). On the subject of German-Polish trade relations see also vol. III of this Series, document No. 487 and footnote 4 thereto.

of goods under Article 218 of the German-Upper Silesian Agreement⁴ should be included in the account, with a view to offsetting the imports from Polish Upper Silesia under Article 218 with German exports not only to Polish Upper Silesia but to the whole of Poland.

Efforts should also be made during the negotiations to have the payment of German debts arising from transit traffic through the Corridor⁵ included in the exchange of goods in the ratio of 1:1; we should point out in support of this claim that, in view of the large sum involved (the German liabilities arising from the Corridor traffic total 30 million RM annually, in comparison with German exports to Poland which total about 40 million RM), if the traffic were paid for in foreign exchange, as Poland demands, this would in fact result in a balance of payments completely at variance with the ratio of 1:1 which the Poles have proposed for the balance of trade.

The reply to be made to the Polish Government should be couched in such terms as not to exclude the possibility of a comprehensive settlement of future German-Polish relations.⁶ During the negotiations care should be taken that the German desire to export, under the 1:1 ratio, goods not essential to Poland is not lost sight of.

Delegation: Counsellor of Embassy Hemmen as leader of the delegation, Ministerialrat Forkel (Reich Ministry of Economics), Ministerialrat Scheffold (Reich Ministry of Food and Agriculture), Oberregierungsrat Scherer (Reich Finance Ministry), Ministerialrat Niemack (Reich Ministry of Transport), Regierungsrat Ter Nedden (Reich Office for Foreign Exchange Control).

ULRICH

⁴ i.e., the German-Polish Convention on Upper Silesia, signed at Geneva on May 15, 1922; for the text see *B.F.S.P.*, vol. 118, pp. 365-579. See also vol. III of this Series, document No. 561.

⁵ See vol. III of this Series, document No. 419 and footnote 1 thereto.

⁶ The Ambassador in Warsaw was instructed by telegram No. 49 of May 4 (9213/E647887-88) to inform the Polish Government that Germany would welcome the speedy opening of trade negotiations; the question of payment for the transit traffic through the Corridor could be included in the negotiations, but Germany could give no assurances on this subject before the opening of the negotiations. In Report No. 785 W Ang. I of May 7 (9213/E647890-91) Moltke stated that he had that day informed Beek accordingly. Moltke reported in telegram No. 29 of June 16 (9213/E647893-94) that the trade negotiations would begin in Berlin shortly.

No. 54

7790/E560066-67

*Memorandum by an Officer of the Naval Command*¹

M I 801 geh.

BERLIN, April 27, 1935.

SK 97 geh.

Subject: Conversation with the British Naval Attaché on April 26, 1935.

¹ Copies were addressed to A(III), SK, M IV (also for Naval Attaché, London) and W.A. (Ausl).

A. *Submarines.*

1. The Admiralty do not seem to have been particularly "disturbed"² by the news of German submarine construction.³ The Naval Attaché did not know how the news would be taken on the political side.

2. The Naval Attaché was particularly concerned to know whether orders to start submarine construction had been given *before* he was informed about the German naval construction plans for 1935. If this were the case, the Admiralty could only suppose that they had been incompletely informed—although an evasive answer had been given to the question about submarines.

The Naval Attaché was told that submarine construction was carried out in three phases:

Phase I: Preparations for building.

Phase II: Construction of separate parts (engines, periscopes, torpedo tubes, etc., "ready for assembly").

Phase III: Assembly of the vessels.

The order to start on Phase III had been given *after* April 7, 1935.⁴

Moreover, in our situation, the furnishing of information about submarine construction was a political question; it was not the business of military authorities to decide on it. The Naval Attaché was satisfied with this information.

3. Further to M I 796 geh.,³ the attention of the Naval Attaché was expressly drawn to the fact that submarine construction would go ahead very fast, since all the preparations had been made.

4. The Naval Attaché returned to the subject of the *Daily Telegraph* article of April 25, 1935, which had been used by M I as a starting point for furnishing information about submarine construction; he remarked that he could not altogether understand why the article upset us so much if we were in fact building submarines. He himself had not read the article when he had put his question to us.

He was told that in particular the sentence "according to the technical press Germany has designed submarines which [. . .]⁵ are incomparably superior to the latest foreign types, especially in machinery, range of action, and armament", in no way corresponded to the facts and was liable to cause anxiety among British readers which was not justified by the building of 250-ton submarines. The Naval Attaché took note of this.

B. *Preliminary Naval Conversations.*

The Naval Attaché again emphasized that the choice of date was left to the German naval staff. The beginning of May had been

² In English in the original.

³ See document No. 52.

⁴ See document No. 52, footnote 3.

⁵ At this point the original article has the words "ton for ton".

mentioned only because in the second week of May there would be no accommodation to be had in London. There would be no difficulty about the middle or the end of May.

*C. MacDonald's article of April 25, 1935.*⁶

It was put to the Naval Attaché at considerable length that such articles would hardly contribute to good understanding between the two countries.

M. J. A.
M I
BÜRKNER

⁶ See document No. 46, footnote 12.

No. 55

7468/H182931-32

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Airgram en clair

No. 110

LONDON, April 29, 1935.

Received April 30—8:50 a.m.

II Abr. 1052.

With reference to my telegram No. 109.¹

In its comments on Germany's armaments policy and in particular the announcement of German submarine construction,² the Sunday press repeated the purely sensational treatment of the previous day. The principal papers, the *Observer* and the *Sunday Times*, tacked on to the announcement extremely hostile comments on Germany, going in fact so far as to threaten cancellation of the naval conversations. MacDonald's article³ was overshadowed by this, and now appeared mainly as a skirmish in the general campaign against Germany's armaments policy.

Today's press is by contrast certainly less agitated, particularly with regard to submarine and naval questions. The original announcement on this subject was magnified, probably not without Foreign Office inspiration, into a first-rate political sensation; the line taken was to ascribe to Germany a further unilateral breach of the Versailles Treaty and so to create a basis for a further large-scale political campaign against Germany. This line was also apparent in the report sent to you by the Naval Attaché (Mar. No. 295 of April 27)⁴ about the outcome of the press conference at the Foreign Office.

¹ Not found.

² Reports appeared in the British press on Apr. 28 and 29, 1935, to the effect that the German Government had given orders for the assembling of the necessary parts for the construction of 12 small submarines. In the Commons on Apr. 29 Sir John Simon confirmed that the German Government had intimated that orders had been given for the construction of 12 250-ton submarines. See *Parl. Deb., H. of C.*, vol. 301, cols. 33-34

³ See document No. 46, footnote 12.

⁴ Not printed (2067/449068-69).

By contrast, a calmer attitude has prevailed over the weekend; this is expressed today by the whole press in the form of statements (combined with more or less severe criticism of German tactical procedure) that the German action over submarines can hardly cause any surprise after all that has happened and therefore does not represent any new development of fundamental political importance. There is an interesting reference in some papers to the effect of German naval rearmament on the forthcoming general naval negotiations regarding the expiry of the Washington Agreement. *The Times*, as usual, is very reserved and refrains from a leader, but allows some criticism to appear in editorial comment, while the Berlin correspondent tries to achieve a calming effect in a factual message.

The general effect is that in today's press there is little enthusiasm for the attempt by certain circles to exploit the submarine question in order to alert British public opinion on a grand scale; on the other hand, the campaign already mentioned, designed to treat the rearmament question sensationally with a slant against Germany as a prelude to the foreign affairs debate of May 2, continues unchanged.

BISMARCK

Certified: Treger (Consular Secretary)

No. 56

7881/E570646-48

Memorandum by an Official of Department II

BERLIN, April 29, 1935.

zu II Abr. 1027.¹

II Abr. 1038.²

I was sent the two attached documents today by the Commander of the Landespolizei.³ The first (II Abr. 1027)¹ contains details

¹ Not printed (7881/E570639-43); this was communication L-ZO 3 No. 327/35 (G.L. Pol.) of Apr. 27 from the Ministry of the Interior to the Foreign Ministry and the Reichswehr Ministry, enclosing a note of a telephone conversation with Regierungspräsident Diels and a copy of the instructions to Diels on the reply to be made orally to the French Consul General.

² Not printed (7881/E570644-45); this was instruction L-ZO 3 No. 327 II/35 (G.L. Pol.) of Apr. 27 from the Commander of the Landespolizei to the Commanders of the Landespolizei areas West, South-West, and South, forwarded to the Chief of the Army Command and the Foreign Ministry for their information.

³ The Landespolizei had been formed in Prussia in April 1933 by detaching police in barracks from the ordinary police (Schutzpolizei) and organizing them into a new formation. This reorganization was subsequently extended to other German *Länder*. The Landespolizei, except for the units in the demilitarized zone, was absorbed into the Reichswehr on Aug. 1, 1935. See also *Documents on British Foreign Policy 1919-1939* (London: H.M. Stationary Office, *in progress*) (hereinafter cited as *British Documents*, Second Series, vol. vi, No. 483, enclosure, and Georges Castellan: *Le Réarmement Clandestin du Reich, 1930-1935* (Paris, 1954), pp. 373-378. The Commander of the Landespolizei was Kurt Daluge, Lieutenant General in the Prussian Landespolizei and Ministerialdirektor in the Prussian Ministry of the Interior.

already known to the Foreign Ministry (cf. II Abr. 1026),⁴ of a *démarche* made by the French Consul General at Cologne⁵ with the Regierungspräsident there. Concerning the instructions given to Regierungspräsident Diels in Cologne, I asked Colonel Henrici of the Landespolizei why the question of the green uniform of the Landespolizei⁶ had been raised in these instructions, although this point, according to the note¹ on the information given by telephone by the Regierungspräsident, had not been specially mentioned by the French Consul General. Herr Henrici said that, during the conversation with Herr Diels, the French Consul General had in fact pointed out to him that the wearing of the green uniform was not in accordance with the existing agreements; it was for this reason that the matter had been mentioned in the instructions. Incidentally, the instructions have not been sent off yet, as Herr Diels may be coming here.⁷

According to the second document (II Abr. 1038),² as the result of the French Consul General's *démarche*, the Commander of the Landespolizei has already issued sundry orders. In accordance with these, the personnel at the training ground of the Landespolizei at Wahn is being greatly reduced, and the cordoning off of the ground tightened; further, certain anti-tank guns which had been intended for the Landespolizei of the demilitarized zone will be held back; and finally, the scale of the training exercises will be cut down.

In conversations with gentlemen of the staff of the Landespolizei I have also been informed confidentially of the following particulars. The mortars with which the Landespolizei in the demilitarized zone are equipped are actually small 7.5 cm calibre infantry guns. The men of the Landespolizei, including those in the demilitarized zone, have, like the men of the Reichswehr, been enlisted for eighteen months (not for twelve years, as used to be the case). The men are told quite openly that their duties, like those of the Reichswehr, will in fact be of a military nature, and that it is only for special reasons that they will for the time being have to wear the blue uniform while on duty. Although the men do not wear green uniforms while on duty, they always wear it for walking out; the green uniform is also worn

⁴ This was a memorandum by Secretary of Legation Wolf dated Apr. 26 (7881/E570637-38) on a telephone conversation with Diels, in which the latter had enumerated some of the complaints concerning violation of the demilitarization clauses made by the French Consul General.

⁵ Jean Dobler.

⁶ Some members of the Landespolizei wore a green uniform, similar in colour to that worn by the Reichswehr; members of the Schutzpolizei wore blue uniforms.

⁷ A minute drawn up in the Prussian Ministry of the Interior on Apr. 29 (7881/E570694) and forwarded to the Foreign Ministry on May 9 (7881/E570690) states that the instructions were not sent, as Diels had been ordered to come to Berlin, and that Frohwein had been informed accordingly by telephone. For Dobler's account of his subsequent interview with Diels, on May 29, see *Les Evénements survenus en France de 1933 à 1945, Témoignages et Documents recueillis par la Commission d'Enquête parlementaire*, vol. II (Paris, no date), pp. 474-477; see also *ibid.*, p. 483.

on parade, but without the steel helmet, though sometimes, it is true, the rifle is carried.

The SA and SS formations are indeed said, so Colonel Henrici told me, to attract attention by their military bearing. Thus, for instance, the Gruppenführer in Cologne drives about in a car brightly painted in military fashion, organizes signals exercises, and so on. The repeated requests by the SA to be allowed to hold shooting practices on the Landespolizei training ground at Wahn have always been refused. Such exercises have, however, apparently been carried out without permission.

I have heard that General von Reichenau is said to have remarked that it should be for consideration whether it would not be better to withdraw the entire Landespolizei from the demilitarized zone, station it at its boundaries and replace it by Schutzpolizei. In my opinion we should indeed consider whether this measure, if it is acceptable from the military point of view, should not be taken, as obviously the military character of the Landespolizei in the demilitarized zone has become too firmly established and is too well known to allow of its being successfully camouflaged.⁸

FROHWEIN

⁸ In a minute of Apr. 29 (7881/E570649) Frohwein recorded that, at a conference that day between Bülow, Köpke, Dieckhoff, Frohwein and Lt. Col. v. Böckmann, Bülow had told v. Böckmann that the Foreign Ministry, too, thought it best that the Landespolizei should be withdrawn from the demilitarized zone, stationed at its boundaries, and replaced by Schutzpolizei. Furthermore, Bülow thought that Blomberg should demand that military exercises by SA formations in the demilitarized zone be stopped.

No. 57

7881/E570658-59

Memorandum by an Official of Department II

BERLIN, April 30, 1935.

zu II Abr. 1038.¹

Lieutenant Colonel von Böckmann informs me that he reported today to the Reichswehr Minister, in the presence of General von Reichenau, on the question of withdrawing the Landespolizei from the demilitarized zone.² Herr von Reichenau spoke in favour of withdrawing the Landespolizei and replacing them by blue-uniformed Schutzpolizei. The Reichswehr Minister had some misgivings about the effects of this measure where the defence of the country was concerned, but reserved the right to examine the matter more closely and to report on it to the Führer and Chancellor. He will probably make this report next Saturday.³ Lieutenant Colonel von Böck-

¹ See document No. 56, footnote 2.

² See document No. 56 and footnote 8 thereto.

³ i.e., May 4.

mann remarked that the Reichswehr Minister would be glad if, before making his report, the Reich Foreign Minister were also to point out to the Führer and Chancellor how important it was for our foreign policy that we should conform scrupulously to the regulations for the demilitarized zone.

As regards the military activities of the SA in the demilitarized zone, the [Reichswehr] Minister intends to discuss the matter personally with Herr Lutze.⁴

To be submitted to the State Secretary via Ministerialdirektor Köpke, for information.⁵

FROHWEIN

⁴ Viktor Lutze, Chief of Staff of the SA since June 30, 1934.

⁵ In an undated minute in the margin of a letter of June 6 to the Reich War Ministry (see document No. 118, footnote 1) Frohwein noted that, according to information from the Reich War Ministry, the idea of withdrawing the Landespolizei from the demilitarized zone had been abandoned for the time being, and that Gen. von Blomberg had not yet had a discussion with Lutze. See also document No. 147 and footnote 6 thereto.

No. 58

7790/E560077-78

*Memorandum by an Officer of the Naval Command*¹

M I 823 geh.

BERLIN, April 30, 1935.

SK 104 geh.

Subject: Conversation with the British Naval Attaché on April 29, 1935.

1. The British Naval Attaché was informed of the surprise of the Chief of the Naval Command that the confidential communications about German submarine construction, recently made by the Naval Command to the Admiralty, should have instantly appeared in the British press. Had this been the German intention, we could have supplied this information to our own press.

The Naval Attaché replied that the British press had not been informed either by him or by the Admiralty; it had not been thought that it was the German intention to give this matter exceptionally confidential treatment since he, the Naval Attaché, had been given this information by the German Navy as the result of an article in an English newspaper² which had spoken of large and powerful German submarines and which, in the German view, was calculated to mislead the British public. It was therefore reasonable to suppose that a

¹ Copies were distributed to departments A (III), SK, M IV (also for the Naval Attaché in London) and to W.A. Ausl.

² In the *Daily Telegraph* of Apr. 25, 1935 (see document No. 52).

correction could only be to our advantage by making known the really much smaller specifications given.

He was told in reply that the information about the submarines was naturally only to be regarded as the most recent addition to the information previously supplied about the naval construction programme, which last had indeed been treated as confidential by the Admiralty. Naturally, therefore, Germany had been entitled to expect that this matter would be treated in the same way.

The purpose of the communication had simply been to inform Britain fully about everything under construction in advance of the preliminary naval conversations, so that the Admiralty might have a clear picture of German intentions in advance of the preliminary naval conversations.

The Naval Attaché said that had the submarines been included in the first communication, no difficulties would have arisen.

He was told in reply that the communication about the construction of submarines was a political question which it was not for the Naval Command to decide; and, in any case, it had not been possible to make this communication on April 7³ as the orders to lay these vessels down had only been issued later.

Moreover, as was again repeated, this could scarcely have come as a surprise in Britain after the Führer had told Simon/Eden that all necessary measures for the defence of the Reich were being taken.

2. The Naval Attaché's attention was then drawn to the fact that the press, in discussing the preliminary naval conversations, still sometimes referred to Part V of the Versailles Treaty; the Versailles Treaty was no basis of negotiation for Germany.

The Naval Attaché said that the Admiralty were aware of the German view; Part V of the Versailles Treaty only affected the preliminary naval negotiations in so far as those of its provisions which related to naval questions were to be replaced by other agreements.

3. The Naval Attaché repeated that in his view it was to Germany's interest to make her construction programme available to the press, as to do otherwise would encourage false conclusions (see *The Sunday Times* of April 28).

He was told in reply that it was not intended to inform the press at present; therefore, unless he wanted to subscribe to the formula of the British Government which seemed to run something like this: "An official communication about the German naval data will not be made. The data given in the press are substantially correct",⁴ the only thing to do was to refuse to give information to representatives of the press.

³ No record of a communication on Apr. 7 has been found; for that made on Apr. 12, see document No. 25 and footnote 2 thereto.

⁴ Quoted from the official statement made at the Foreign Office press conference on Apr. 27, as reported by the Naval Attaché in London; see document No. 55, footnote 4.

Note: According to a communication from the Naval Attaché on April 30,⁵ the latter has meanwhile been done.

M. J. A.
M I
BÜRKNER

⁵ No communication of Apr. 30 has been found, but see document No. 60.

No. 59

7790/E560069-70

*Memorandum by an Officer of the Naval Command*¹

M I 827 geh.

BERLIN, April 30, 1935.
SK 99 geh.

Subject: Conversation between the Chief of the Naval Command and the British Naval Attaché on April 30.

Attached for your information is a record of a conversation between the Chief of the Naval Command and the British Naval Attaché. The Foreign Ministry has been informed.

M. J. A.
M I
BÜRKNER

[Enclosure]

CONVERSATION BETWEEN THE CHIEF OF THE NAVAL COMMAND AND THE BRITISH NAVAL ATTACHÉ ON APRIL 30, 1935.

1. This² is not a question of a communication from the German Government, as Sir [John] Simon said in Parliament;³ our communication was one of the series of confidential communications to the Naval Attaché for the Admiralty.

The starting-point for these communications was the Naval Attaché's wish to be currently informed of our construction orders. We have informed him after each decision to begin construction, sometimes indeed before putting on the stocks (2 cruisers 1935, 12 destroyers 1935).⁴

2. This is the explanation of the trickle of information which has surprised certain officers at the Admiralty (according to Captain Wassner)⁵ and has apparently given rise to some suspicion. It is in fact remarkably soon for information to be given in April from a budget approved only at the end of March (cruisers, destroyers). The British, too, do not put all their ships on the stocks simultaneously.

¹ Copies were addressed to A and SK.

² i.e., the information on submarine construction; see documents Nos. 52 and 58.

³ See document No. 55, footnote 2.

⁴ See document No. 25, footnote 2.

⁵ No other report to this effect has been found.

Apart from that, the Chief of the Naval Command has to get permission from the political chiefs to make such communications.

3. During the Berlin conversations,⁶ the Führer said that we would take all measures necessary for our naval defence. The communication (about submarines) was therefore covered by this declaration.

4. The object of the communication was to clear the air for the naval conference. All it had achieved was to excite suspicion, owing to the British press campaign.⁷

⁶ i.e., the Simon-Eden conversations in Berlin, Mar. 24-26, 1935; see vol. III of this Series, documents Nos. 555 and 564.

⁷ The following statement was circulated within the Naval Command on May 9 (7790/E560113-14) as having been communicated to the British Naval Attaché on May 3:

"After the story of submarine construction became known, details of M I's conversation were announced on the British radio and in the press, which has never been the practice before.

"Apart from this, MacDonald in his speech yesterday [see *Parl. Deb., H. of C.*, vol. 301, cols. 569-577] expressed his great surprise that Germany had chosen the moment before the beginning of the naval negotiations for the publication of her plans for naval construction, although this had been done at the Admiralty's request and there had been no necessity for it on the German side.

"Admiral Raeder could only suppose that the Naval Attaché or the Admiralty could not prevent the Foreign Office, for whom this matter had apparently arisen at a politically convenient moment, from misusing confidential information.

"Admiral Raeder expressed his astonishment that the 'gentlemen's agreement' reached with the Naval Attaché had been misused, obviously for political ends. He would draw the necessary conclusions for his relations with the Attaché."

No. 60

2067/449073-75

The Naval Attaché in Great Britain to the Naval Command and the Foreign Ministry

Mar. No. 318

LONDON, May 1, 1935.

Received May 4.

II M 1102.

Subject: New German naval construction.

There is frequent reference in the British press to a report in the *Giornale d'Italia* on the strength of the proposed German fleet (12 capital ships, etc.).

This report, as I learn from a reliable source, was known to the Admiralty as early as Saturday, April 27. The Admiralty, however, used their influence to prevent publication so that fresh disquiet would not be created and because it was desired to clear this matter up as part of the naval negotiations.

I am reporting this information because knowledge of the calm attitude of the Admiralty is important. The mood there may still be described as calm; it is clearly intended to negotiate with us. An Admiralty expert expressed himself to a journalist as follows:

"We want to find out, first of all, exactly what kind of increased

Navy the Germans have at the back of their minds, and we also want to let them know clearly how far they can go without arousing British naval concern."¹ (*The Scotsman* of Apr. 29.)

The agency active against us in all these matters is however the Foreign Office, which, it is reliably reported, is making every effort to prevent the naval negotiations with us from taking place at all.

The tenor of the exchanges on the 12 German submarines in the Commons on April 29² is characteristic of the general attitude towards Germany, an attitude which has already made large sections of the community uneasy, and which finds its supporters particularly in so strong a party as the Conservatives in the Commons.

The report made by the Embassy on this subject and a cutting from *The Times* of April 30 are attached.³

It is worthy of note that a large part of the longer press comments on the theme mentioned above, after a big headline and a few sentences on the submarine question, turn to German air rearmament and compare it with the British. In most cases this question is then discussed at length.

In view of the fact that it is not particularly difficult for the British Admiralty, and thus the British authorities, to estimate, or from now on to know, [the extent of the] limited German naval rearmament, it is expected here that the attacks against Germany will shortly turn from the navy to the Luftwaffe; this is because it is not thought possible to discern any precise limitation to it and also in order to provide a public basis and spur for their own intended air rearmament.

The outlook prevailing against us in almost all sections of the British population is perceptible in most branches of the press and is being energetically maintained and fostered. The declaration by the Führer in the second week of May is awaited with special interest in order to see if it will bring further revelations of military rearmament, which may even concern the demilitarized Rhineland zone.

The long expositions on the German navy attempt primarily to set forth, alongside the points already frequently reported, the view that the appearance of a strong German navy must disrupt the basis on which previous naval treaties have been built and that new and undesirable naval activity would result, not only in the Baltic, but also among the other naval Powers.

Attention is drawn to the question, which is also frequently raised in the Commons, of the employment of the Escalator Clause in the London Treaty⁴ for the British navy in connection with German naval

¹ The words in quotation marks are in English in the original.

² See document No. 55, footnote 2.

³ The report in question, no copy of which was retained in the file with the document here printed, was A 1480 of Apr. 30 (7468/H182941-43).

⁴ The International Treaty for the Limitation and Reduction of Naval Armament, signed in London on Apr. 22, 1930; for the text see League of Nations: *Treaty Series*, vol. cxii, pp. 65-91.

armaments and also to the comments of Mr. Hector Bywater in the *Daily Telegraph* of May 2 [*sic* ? April 25], particularly the problems for our naval negotiations raised therein.

WASSNER

No. 61

8038/E578139-53

*Memorandum by the Ambassador in Italy*¹

GERMAN-ITALIAN RELATIONS FROM THE END OF 1932 TO THE BEGINNING OF 1935

The deterioration of German-Italian relations, which has been apparent for about a year, has recently reached a climax. Italy, which, of all the Great Powers, has in practice shown by far the greatest understanding for the German point of view on the armaments question, today sees in German armaments an overt threat and is campaigning against the German action almost as energetically as is France. Fascism, which longed for National Socialism to come to power and greeted its advent with joy, now, on the whole, views it with criticism and hostility. Mussolini, who raised the claim for a revision of the Peace Treaties, now seems to have gone over to the conservative camp of the defenders of Versailles.

In Germany this *volte face* is generally described by the easy formula of "untrustworthy", and—as in 1914—"treacherous Italy". This formula is a characteristic expression of the German habit of considering political events from an emotional point of view. It is false, if only because after the war Italy made us no promises to which she might have been untrue, and it is, moreover, based on entirely false premises in that it pretends that Italy acted, or should have acted, for love of Germany, whereas, even when she was furthering our objectives, Italy was naturally merely defending her own interests. What really mattered was simply to find common German and Italian interests and for both sides to make use of them, while simultaneously avoiding unnecessary obstacles to mutual cooperation. It was of primary importance for us to make sure that, in the coming crisis, which would inevitably be brought about by our demands, *de facto* and *de jure*, for freedom to rearm and full equality of rights, that there would be *one* Great Power which would refuse to join the united front against us.

¹ This memorandum, from the secret files of the German Embassy in Rome, is unsigned and undated, but it is obvious from the final sentence that it was written after Apr. 6, 1935. Attached to it are three enclosures (8038/E578154-63) respectively entitled in Hassell's handwriting: "1) Brief Schedule concerning Danubian Policy," "2) The Problem Austria-Hungary-Italy (in somewhat greater detail)," "3) Gentlemen's Agreement concerning France." In these Hassell listed and quoted portions of communications he had sent and received on the subjects dealt with in the memorandum here printed.

Of course Italy is also "to blame" for the deterioration of relations with Germany, if the term "blame" can be used at all in such questions. In this respect certain points need further elucidation.

Germany's shortcomings *vis-à-vis* Italy during the last two years are, as I see them, the following:

I. Her inertia with regard to a primarily economic German-Italian understanding over the South East [of Europe];

II. Her "Habicht" policy towards Austria;

III. Her treatment of Mussolini when she withdrew from the League of Nations;

IV. Her failure to make use of the possibility of a "gentlemen's agreement"² as regards an understanding with France;

V. Her failure to take into consideration, in the autumn and winter of 1934-1935, the possibility of repairing the seriously damaged links between Berlin and Rome.

I. Economic understanding over the South East [of Europe]

During my service in Belgrade,³ I was strengthened not only in my conviction regarding the political and economic importance of the South East [of Europe], but also in my belief that we should in no circumstances abandon Hungary, but, rather, that we could, and indeed absolutely must, reach an understanding with Italy. It was, admittedly, my task to foster relations between Yugoslavia and Germany, a task which I believe I carried out with some success, convinced as I was that good relations with that country were definitely possible and desirable for us. I also realized, however, that the existing political ties and complexes of interests in the South East [of Europe] rendered it impossible for the time being to detach Yugoslavia from her alliance with France⁴ and from the Little Entente.

Coming as I did from Belgrade, it was natural that during my first interviews with Mussolini the conversation should turn to this subject. In reply to my general outline of principles, Mussolini proposed to organize economic cooperation between Germany and Italy in the South East, whereby he had in mind a division of the field according to branches of industry. I at once saw that the crucial point for us lay in the fact of his having made this proposal and in the resultant possibility of coming to an understanding, not, however, in immediate economic results and still less in whether this idea of organizing cooperation on a basis of "specific zones" [*nach sachlichen Zonen*] could be put into practice. In Berlin, however, there was unwilling-

² In English in the original.

³ Hassell was Minister in Belgrade May 1930-October 1932.

⁴ Yugoslavia concluded a Treaty of Friendly Understanding with France on Nov. 11, 1927; for the text see League of Nations: *Treaty Series*, vol. LXIII, pp. 373-379.

ness to recognize the immediate economic and the indirect political value of the suggestion. The question was handed over to the technical experts, who naturally got stuck over the difficulties created by the idea of "specific zones" which Mussolini had thrown out by way of example. Moreover, it was considered that we were economically greatly superior to the Italians in the South East, particularly "in the long run",² and it was not realized that precisely the fact of our economic strength was Italy's nightmare in the South East and therefore could become the basis of a policy directed towards keeping us out. Thus it came about that, in reply to my first report of December 9, 1932,⁵ I received instructions of a purely economic nature which referred to negotiations through the Mixed Economic Commission which had recently been agreed upon. Later the same idea, clothed in different language, was again expounded in a despatch of February 7, 1933.⁶ This was Berlin's sole reaction to the idea, although, as is shown in Enclosure 1, I had pursued the suggestion for eight months in sixteen reports, telegrams reporting further discussions with Mussolini, and private letters.

It was only in September 1933 that anxiety began to be felt in the [German] Foreign Ministry lest Italy should come to an understanding with France instead of with us; none the less, Mussolini's suggestion was not taken up. Meanwhile, with increasing anxiety, I had drawn up a first draft for an agreement with Italy which contained the following five points:

(1) Of the south-eastern European agrarian countries, Hungary and Bulgaria are to be chiefly assisted.

(2) As partners in negotiations, Germany and Italy reject any kind of bloc, particularly, therefore, the so-called "Little Economic Entente".

(3) For Germany and Italy any Tardieu plan⁷ or similar organization is out of the question.

(4) Germany and Italy should keep each other currently informed concerning the general outlines of commercial policy with respect to the countries of the Little Entente and possibly also Poland, particularly, for example, concerning the denunciation of commercial treaties and counter-measures against differentiations or restrictions, in order, if possible, to bring their commercial policy to the same common denominator.

(5) On the basis of these general principles for commercial policy,

⁵ Report I 1659 of Dec. 9, 1932 (8036/E577907-09); for a summary of this report and of Neurath's reply of Jan. 5, 1933 (7680/E547644-49), see vol. 1 of this Series, document No. 14, footnote 1.

⁶ *ibid.*, document No. 14.

⁷ The Tardieu plan, discussed at a conference in London in April 1932, was for close economic cooperation among the five Danubian States (Austria, Czechoslovakia, Hungary, Rumania and Yugoslavia) on the basis of reciprocal customs preferences and a quota system.

the attempts should be continued to inform each other regarding economic activity in these countries, just as is done on the Mixed Commission.

I reported on this matter to Berlin on August 3.⁸ On August 8, I submitted my draft to Mussolini, who agreed to it.⁹ I also had the opportunity of discussing it orally in Rome with Herr Ritter, who also considered it both acceptable and practicable. I then expected to receive instructions from Berlin to pursue the matter on the basis of my draft. Unfortunately there was no response to this either.

Meanwhile the danger of Italy's pursuing a policy, in conjunction with Austria and Hungary, of keeping Germany out, had increased. The fact that I drew attention over and over again to this danger, as also to the decisive importance, in view of the Austrian problem, of coming to an agreement on the South East, is clear from Enclosure II. I refer in particular to the short summary contained in my letter to Baron Neurath of February 14, 1934.¹⁰

German-Italian cooperation in the South East was thus rendered impossible. In spite of all pressure, Berlin had failed to respond to the idea.

II. The "*Habicht* policy" towards Austria

It is probable that two years ago no country was more convinced [than Italy] that the *Anschluss* would come about sooner or later. There was some anxiety over this, not only because of the Brenner frontier, but above all because of the legendary German urge towards the South East [*Drang nach Südösten*] generally, which, although it already threatened Italian interests, would become even more dangerous after the *Anschluss*. Italian policy was therefore directed towards postponing this undesirable event for as long as possible and meanwhile lessening its dangers as far as possible by strengthening Italy's political and economic position in the South East. I have just drawn attention to the importance of our economic policy in the South East from this point of view; our object should have been gradually to convince Italy that we did not wish to squeeze her out and that later on even an *Anschluss* would not endanger her.

The prospects for this whole problem were improved when National Socialism came to power, thanks to its friendship with Fascism and to its frequently expressed renunciation of any irredentist designs on the South Tyrol. It was merely a matter of having patience and not rushing the *Gleichschaltung* [assimilation] of Austria.

The first conversations which General Göring had with Mussolini

⁸ See vol. I of this Series, document No. 388.

⁹ See *ibid.*, document No. 397, from which it also emerges that Hassell's conversation with Mussolini in fact took place on Aug. 7, 1933.

¹⁰ Not found.

and Suvich, shortly before Easter in 1933,¹¹ about the Austrian problem, demonstrated at once how delicate this point was.

Shortly after, the Habischt policy was introduced in Austria, and this aroused increasingly acute mistrust in Italy of the intentions of the German Reich. I have repeatedly pointed this out in my reports and orally in Berlin. The results of this policy are plain for all to see today and I need not go into them further; Italy believed herself to be faced with the immediate danger of an *Anschluss* and conducted herself accordingly. I will return to subsequent developments later.

III. The treatment of Mussolini upon [Germany's] withdrawal from the League of Nations

In her general policy, and above all in the question of disarmament, Italy at first pursued her former course in spite of the Austrian question. But relations between the German Government and Mussolini personally received a regrettable (and quite unnecessary) blow on the occasion of Germany's leaving the League of Nations. On October 13, 1933, at a time when our departure from the League of Nations, although not formally decided upon, was as good as certain, I received instructions¹² to inform Mussolini in strict confidence (and, as I was further told the following morning by telephone, "as the only foreign statesman"!) of our forthcoming withdrawal from the *Disarmament Conference*. Thereupon I made an appointment with Mussolini for midday on the 14th. Since the telegram contained nothing about motives and I wished to be quite sure, I telephoned the Foreign Ministry on the morning of the 14th, obtained from an authoritative quarter some information concerning motives, and was authorized to indicate that now, perhaps, there was a possibility of proceeding on the basis of the Four Power Pact.¹³ Apart from this, I was assured, in reply to my enquiry, that the situation was unchanged. No word was said about a possible withdrawal from the League of Nations.

My conversation with Mussolini passed off very satisfactorily.¹⁴ Mussolini approved of our decision, referred to the Four Power Pact, and then went off in an excellent humour to Ostia to bathe. That was at 1 p.m. By 2 p.m. the whole press knew what had been announced in Berlin at about 1.30 p.m., that we had also withdrawn from the League of Nations.

There is no need to describe the effect which this conduct was bound to have upon Mussolini. He must have gained the impression of deliberate disloyalty on the part of Berlin. Indeed, eyewitnesses

¹¹ See vol. I of this Series, document No. 162 and footnote 1 thereto. See also Rudolf Nadolny: *Mein Beitrag* (Wiesbaden, 1955), pp. 184-185.

¹² See vol. I of this Series, document No. 498.

¹³ See *ibid.*, document No. 500 and footnote 3 thereto.

¹⁴ See *ibid.*, document No. 502; see also vol. II of this Series, document No. 4.

say that for days he was more enraged with Germany than could have been thought possible. I personally succeeded in preserving my relations of confidence with him intact, since he understood my position. But there remained a grievance against Berlin.

IV. Germany's failure to make use of the possibility of a "gentlemen's agreement"² as regards an understanding with France

From the beginning I was aware in Rome of the danger that at some time Italy might come to terms with France at our expense. In spite of all their conflicting interests, both countries had so much in common and the advantages of an *entente* between them were so obvious, especially given an increase in German strength, that this possibility had always to be reckoned with and, indeed, it could be seen that efforts of this kind were constantly being made. Meanwhile, in Berlin the idea was taking an increasingly firm hold that a direct understanding could and would be reached between Paris and Berlin. Given this situation, I considered it wise to propose to Mussolini on my own initiative a "gentlemen's agreement"² to the effect that both our countries desired an understanding with France, but that we were agreed not to come to such an understanding at the expense of the third party nor without keeping each other currently informed of such negotiations. As it seemed to me that the possibility of an *entente* between Rome and Paris was much stronger than that of an *entente* between Berlin and Paris, it appeared to me that the advantage of such an "agreement"² was primarily on our side, in that it provided an insurance which, though admittedly not 100 per cent, was nevertheless not negligible. On the other hand, Mussolini might at that time have had reason to enter into such an agreement as long as there appeared to be a certain likelihood of Germany really being in a position to reach understanding with Paris direct. On June 12, 1933, I submitted this idea to Mussolini, received his approval, telegraphed to Berlin¹⁵—and never received any reply. Enclosure III shows the course of events, that is, the total absence of any response whatever to all my urging.

When I later enquired as to the reasons for this silence, I was informed on very high authority that the differences between Paris and Rome were so profound that they would always crop up again, whereas we, on the other hand, it was hoped, would soon come to terms with France. What was said about the profound Franco-Italian differences might be true, but it in no way affected the problem, for not only was an understanding between these two countries possible, and that at a time decisive for us, but it has in fact since come to pass. Another important personage told me that a Franco-Italian under-

¹⁵ See vol. I of this Series, document No. 308 and footnote 1 thereto.

standing would only concern colonies and thus would not concern us. This individual entirely failed to realize that, thanks to the *Habicht* policy, the greatest danger for us was in Central Europe; and indeed matters subsequently so turned out that the understanding about colonies was only possible within the framework of the agreement about Central Europe. What advantages such an "agreement"¹⁶ would have had for us is only too clear today.

Before I go into point V, I should like to state that twice a promising attempt was made to stop the runaway cart and to re-establish relations of confidence between Germany and Italy:

The first was the letter from the Führer to Mussolini¹⁶ which General Göring brought with him and which was designed to wipe out the impression made by our conduct over our withdrawal from the League of Nations. The letter was very effectively written, and the visit went off extremely well.¹⁷ General Göring also raised the Austrian question and said that in his view we might even lay down in writing what our mutual conduct should be in this matter, undertaking thereby to do nothing towards altering the relations between the Reich and Austria without consultation with Italy. Unfortunately this excellent idea was not taken up in Berlin.

The second attempt of this kind was the meeting in Venice in June 1934.¹⁸ I had myself long been convinced of the necessity for personal contacts between the Heads of the German and Italian Governments, between the Duce of Fascism and the Führer of National Socialism. Suggestions were made from various quarters. Gömbös and Kánya repeatedly said how valuable such a meeting would be. General Göring, on the occasion of his above-mentioned visit (after our withdrawal from the League of Nations), spoke to Mussolini about the matter and found that in principle Mussolini agreed to a meeting at a date to be fixed in the near future; Signor Suvich was first to go to Berlin. The latter's visit, as is known, took place shortly afterwards¹⁹ without producing any tangible results. At the end of March 1934, Herr von Papen appeared in Rome²⁰ on his way to take a cure in Naples. He told me that the Führer had instructed him to sound Mussolini about a meeting; he was, however, in Rome quite unofficially and intended only on his way back to pay a courtesy call on Mussolini. As it happened, the Prefect's box at the opera had been placed at my disposal for that evening, an offer which I had on several previous occasions had to decline, and for that reason I proposed that Herr von Papen should attend the performance with us. By chance Mussolini was sitting in the next box, and as a result

¹⁶ See vol. II of this Series, document No. 40.

¹⁷ See *ibid.*, documents Nos. 50 and 78.

¹⁸ See vol. III of this Series, documents No. 5, 6, 7 and 19.

¹⁹ See vol. II of this Series, documents Nos. 120 and 126.

²⁰ See *ibid.*, documents Nos. 368, 377 and 380.

lengthy conversations ensued during the intervals and Mussolini suggested to Papen that he call upon him the next morning. It is pure invention to say that either Herr von Papen or I myself or anyone else engineered this meeting. What happened subsequently is well known. The meeting between Mussolini and the Führer, which Herr von Papen suggested and which Mussolini accepted, was at first treated fairly coldly in the Foreign Ministry; Herr von Neurath was not favourably disposed towards it and the Führer, who denied having instructed Herr von Papen, was disposed to decline it. On the other hand, Herr von Blomberg at once realized the necessity for acceptance²¹ and said that it was nonsense for the two leaders to conduct policy either with or against each other without being personally acquainted. He considered that even the risk of an unsuccessful outcome was preferable to continuing the present method of conducting policy "through a veil". My first visit to Berlin ended without the Führer having taken a decision. On my return from Rome, I found the situation had completely changed as a result of the French Note on armaments of April 17.²² The Führer was now very much in favour of the meeting and wished it to take place forthwith, whereas it was clear to me that the position was now much more difficult for the Italians because a meeting forthwith would seem to be a demonstration against France. The final result was that the date for the meeting was set for June 13. Although it cannot be said that definite agreements were reached in Venice, the meeting certainly went off very satisfactorily and to the purpose, in so far as contact was made and mutual sympathy established. The Führer himself very soon told me what an impression Mussolini's remarkable personality had made on him, whilst on the last evening Mussolini said to me: "We talked together like two comrades." And this when the main theme had been the thorny problem of Austria. It is not the case, although it is sometimes represented to be so, that German promises were made on this subject which were subsequently not kept. It is, however, true that Mussolini expected, and after the frank and confidential conversations he had had was entitled to expect, that these relations of confidence would be recognized by abandoning the Habicht policy.

The contrary happened. The Habicht methods were intensified and Italian suspicions of Germany's direct designs on Austria were raised to fever pitch. Then, when the events of June 30 occurred,²³ Mussolini, influenced in particular by the atmosphere of hate which prevailed throughout the world, and particularly in the Anglo-Saxon countries, began to think that the methods of the German Govern-

²¹ See *ibid.*, document No. 393.

²² For the French Memorandum communicated to the British Chargé d'Affaires in Paris on Apr. 17, 1934, see *British Documents*, Second Series, vol. VI, No. 395.

²³ i.e., June 30, 1934, the date of the Röhm purge; see also vol. III of this Series, Editors' Note, p. 117, and document No. 55.

ment were dubious and calculated fully to isolate Germany. Then came the murder of Dollfuss.²⁴ Mussolini, who was expecting a visit from Dollfuss, whom he held in special sympathy and respect and whom he regarded as the pillar of the present Austrian régime, was psychologically deeply affected, especially by the presence of Frau Dollfuss in Italy, and by the necessity of breaking the news to her himself. The criticism of Germany and of National Socialism which had been suppressed for years was now given free rein. Whereas up to that time Mussolini had forbidden all criticism of the events of June 30, all restraint was now swept aside. That insensate Italian campaign against National Socialism was then unleashed, the effects of which are still evident both in Italy and Germany. The German press, skilfully guided by the Ministry of Propaganda, retorted with dignity and composure. But a completely distorted picture of the Third Reich took hold upon Italian public opinion.

The foundations laid at Venice were completely shattered. Resentment now led Mussolini and Italian policy increasingly into a path dangerous to Italy herself; the ties with Berlin were torn asunder and as a result Italy's position and weight as an international factor automatically deteriorated. The Italians, with their gaze hypnotically fixed on the "German danger in Austria", were driven further and further into France's wide-open arms, but as a very much weakened partner.

Simultaneously there ensued between Germany and Italy an obstinate and short-sighted press quarrel about questions of race, culture and systems of government.

V. Failure to take into consideration, in the autumn and winter [1934-1935], the possibility of repairing the seriously damaged links between Berlin and Rome

The Italian Foreign Ministry, which had previously acted rather as a brake on Mussolini's supposedly too pro-German policy, soon realized the weakness of Italy's position and the advisability of placing relations with Germany on a normal footing once more. It is understandable that, during the storm in the press and immediately afterwards, the German attitude should have been extremely frigid. But since Mussolini, after repeated conversations with me, had called off the press campaign, the right moment had come to reconsider German-Italian relations soberly and realistically. But just as, immediately after the [National Socialist] seizure of power, Germany was in the throes of a veritable paroxysm of love for Italy and Fascism, there now set in an emotional revulsion, nay, contempt, which no longer had anything to do with politics.

²⁴ See *ibid.*, documents Nos. 115 and 119.

Mussolini had let me know as early as last summer that the events in Austria had not affected his personal confidence in me. Unfortunately Berlin has never made use of my personal relations with the Ducé. This was not done even when the new stage of tentative Italian attempts to reopen conversations with us was reached.

In the autumn of 1934, five different suggestions were made by the Italians—either directly or indirectly—with the object of reviving the conversations between Rome and Berlin, which had come to a complete stop, and, above all, of finding a formula for Austria which could at least temporarily bridge the gulf. The first initiative came from Baron Aloisi when, on October 11,²⁵ he suggested privately that we might join the Anglo-Franco-Italian Three Power Declaration on Austria, thus bringing the old idea of a Four Power Pact to life again and preventing the formation of a bloc against us. I took the view that this invitation was in fact easier to accept and tactically more favourable for us than a later official invitation to us to join a pact. I was therefore in favour of entering into conversations on this subject. Berlin, however, refused. Not much later, towards the end of October, M. de Kánya, on the basis of the impressions he had gathered in Rome, suggested to me that we should make a “*beau geste*” to Italy over the Austrian question.²⁶ A few days later Mussolini himself suggested to me that the Führer might perhaps, when a suitable opportunity arose, publicly recognize the independence of Austria and proclaim our non-intervention.²⁷ Suvich, too, shortly afterwards expressed ideas similar to Aloisi’s and somewhat later made further proposals about a declaration of guarantee for an interim period.²⁸ Gömbös echoed Kánya’s views during his visit in November.²⁹ No German response, however, was forthcoming.

Certainly, it was correct to show a certain coolness towards the Italian approaches. But there is a great difference between coolness and a flat refusal. I am unable to understand why no effort whatever was made to make sure, which could well have been done, that, in the impending severe international conflict, especially over the armaments question, Italy would, to a certain extent, frustrate the proclivities of France and others. Even in the conversations *à trois* between Mussolini, Laval and myself,³⁰ Mussolini backed me most loyally during our discussion on the question of disarmament. In consequence of our flatly negative attitude, Italy was then driven

²⁵ See *ibid.*, document No. 241.

²⁶ Hassell reported on this conversation in telegram No. 241 of Oct. 22, 1934 (9564/E673387-89); see also vol. III of this Series, document No. 273 and footnote 4 thereto.

²⁷ See *ibid.*, document No. 266.

²⁸ See *ibid.*, document No. 317.

²⁹ See *ibid.*, document No. 310.

³⁰ See *ibid.*, document No. 413.

further and further into the French camp and began to consider German armaments as a direct danger to herself.

After March 16,³¹ this became shatteringly clear. But even then the possibility certainly still existed of influencing Mussolini, that is, of inspiring in him once more that "minimum of confidence" to which I have already referred, in order, if not completely to destroy the united front threatening us, at least to hinder its formation. For this purpose nothing in the nature of a "journey to Canossa", or of a deviation from the course towards freedom of armaments, previously pursued, was required of us but merely a calm and reassuring conversation with Mussolini. Unfortunately Berlin again declined this, and only condescended to such a conversation when, more than a fortnight later, the importance of Mussolini in the Stresa Conference had become clear to all. Unfortunately Mussolini had in the meantime left Rome and the conversation could only take place with Suvich³² who, naturally, was only an inadequate substitute.

³¹ The date on which universal military service was reintroduced in Germany; see *ibid.*, documents Nos. 532 and 538.

³² See document No. 9 and footnote 7 thereto.

No. 62

8921/E624817

The Minister in Lithuania to the Foreign Ministry

Telegram

No. 20 of May 2

KOVNO, May 2, 1935—9:35 p.m.

Received May 2—11:25 p.m.

IV Rd. 2080.

The Lithuanian reply to the Signatory Powers' Note of April 19¹ was today communicated to the Signatory Powers' representatives here.

I have learned confidentially that the substance of the Lithuanian reply,² which is a brief one, is as follows:

1. The situation in Memel is causing the Lithuanian Government equally grave anxiety. An alien influence is active there which is fatal to the spirit of moderation necessary to all.

2. The Lithuanian Government would welcome an exchange of views with the Signatory Powers about stronger security guarantees with special reference to the Memel Territory.

3. As the Lithuanian Government have always acted in conformity with the Memel Statute, they consider that there is no occasion to

¹ See document No. 42.

² Zechlin forwarded the full text of the Lithuanian reply to the Foreign Ministry, for their confidential information, with despatch A 642 of May 4 (8921/E624824-26).

refer to the Council of the League of Nations in accordance with Article 3 of the Memel Convention.

4. The text of Bruvelaitis' letter to the German parties and their negative reply³ will be communicated to the Signatory Powers without comment.

A copy has been sent to Memel.

ZECHLIN

³ Copies of this exchange, in which the majority parties were offered an additional seat, giving them three out of five, on the Directorate, were forwarded by Zechlin, with other relevant documents, to the Foreign Ministry with despatch A 427 of May 2 (8967/E628930-47).

No. 63

2784/540383-85

Memorandum by the Foreign Minister

BERLIN, May 2, 1935.

RM 360.

The Italian Ambassador called on me today to inform me of his return from Italy. He stated that he had twice spoken with Mussolini and that the latter had particularly instructed him to inform me that his attitude towards Germany and her endeavours to achieve equality of rights and to rearm had not changed. He also urgently wished that good relations might be restored. The only question which presented any difficulty in relations with Germany was Austria, and he had been hoping all the time that on this point the Führer would make the declaration of which he had held out prospects¹ and which had also been mentioned by Minister President Göring in March.²

I told Signor Cerruti in reply that I had not, at first sight, gained the impression from Mussolini's conduct at Stresa that his attitude towards Germany was still the same, as he asserted and as he had previously stressed to me. As for the declaration on Germany's attitude towards Austria which the Führer was expected to make, I said that we had repeatedly made statements, to the Italian Ambassador amongst others, to the effect that we had no intention of interfering with Austria's independence, and that the question of an *Anschluss* was not actual. Cerruti thereupon said that what Mussolini had in mind was a settlement of the kind we had made with Poland, that is a mutual promise to keep the controversial question of Austria out of the complex of German-Italian relations for a certain period. To this I replied that we for our part were already doing this, for we were not concerning ourselves at all about Austria.

¹ See also vol. III of this Series, documents Nos. 241 and 267.

² No record of a statement of this kind by Göring has been found in the Foreign Ministry archives.

Signor Cerruti then turned to the question of the Rome conference,³ the date of which, he said, had not yet been fixed, but which we should, of course, be invited to attend. Without elaborating the point, I asked Signor Cerruti what programme had been envisaged for this conference. I said that it was obviously intended to go very considerably beyond the scope of the existing Franco-Italian agreements⁴—an assumption which was supported by the fact of the forthcoming conversations in Venice.⁵ Signor Cerruti admitted that the programme of the conference had not yet been fixed. As he then returned to the subject of the absence of any German reply to the last Italian Note regarding the definition of non-intervention, I told him that in my opinion it would be better to let this wait until the programme for the proposed conference had been drawn up.

Signor Cerruti then requested, on Mussolini's instructions, so he said, that both in the press and elsewhere Germany should adopt as reserved an attitude as possible concerning the Italo-Abyssinian conflict. I replied that we were already doing so to a very considerable extent—although the Italians were constantly bringing accusations against us and against individual Germans, which had so far every time proved to be without foundation. Signor Cerruti admitted this, but repeated his plea for the greatest possible reserve.

The conversation convinced me that Signor Mussolini is now striving to improve the atmosphere with Germany somewhat. He is obviously most anxious that we should attend the Rome conference, in order to settle, if at all possible, the question of non-intervention and thus free his rear in Europe for his adventures in Abyssinia.⁶

V. N[EURATH]

³ See document No. 33, footnote 8.

⁴ See vol. III of this Series, document No. 405 and footnote 1 thereto.

⁵ See document No. 81.

⁶ An account of this conversation was transmitted to the Missions in Italy, France, Poland, Great Britain, Hungary, Austria, Yugoslavia, Rumania and Czechoslovakia in despatch II It. 727 of May 6 (7826/E567863-66).

No. 64

2980/581426-28

Memorandum by the Foreign Minister

BERLIN, May 2, 1935.

RM 361.

The Rumanian Minister called on me today. M. Comnen had, as he told me, come from the Riviera where he had spent a few days with M. Titulescu at Cap St. Martin. M. Titulescu had renewed his offer to act as a mediator between us and France,¹ for which office, as M.

¹ No record of such an offer has been found.

Comnen explained in grandiloquent language, he regarded himself as particularly suitable. I expressed my warm thanks for M. Titulescu's renewed willingness to serve and conveyed the request that he should first of all begin his mediation with the other party. We had constantly stated that we were prepared to enter into conversations and had expressed our willingness to cooperate in international questions, most recently during the conference at Stresa,² when we had even been prepared to join a system of collective pacts, even if some members of this system were to enter into military alliances amongst themselves. This far-reaching conciliatory offer, however, had in no way been appreciated by the Powers assembled at Stresa and afterwards at Geneva. For this reason we would, for the moment, decline to make any further statements or even to take part in international conversations and would wait and see what the others had to say to us. But we would by no means be dissuaded from our policy of taking such measures as seemed to us essential for our security. Having repeatedly stated that we were prepared to cooperate in all measures of disarmament which the other Powers were willing to adopt, we were now waiting for appropriate proposals. We could only be grateful to M. Titulescu if he could induce the other side to put forward such proposals, which would then receive our careful and sympathetic consideration.

M. Comnen then enquired whether we would be a party to the Rome conference,³ to which the Rumanian Government attached great importance. I told him that other Governments felt the same. At any rate, we had not yet been invited, nor were we in the least aware of what subjects would be discussed in Rome. M. Comnen stated that his Government must emphatically protest against the extended agenda, especially against Hungary's rearmament plans, the Habsburg question, and also Hungary's revisionist claims. He thought that Rumania and Germany had a common interest in various points.

I then asked M. Comnen which States were to be parties to the Rome talks; whether perhaps Russia was also to be brought in? M. Comnen said he was not informed about this.

Finally M. Comnen came to speak about the article in the *Deutsche Diplomatisch-politische Korrespondenz* the day before yesterday and stated that the remarks at the end of this article about the extension of Article 16 of the League of Nations Covenant had caused great delight in diplomatic circles here. I told M. Comnen that if he supposed this article to reflect the views of the Wilhelmstrasse, he was mistaken. It was also quite wrong to conclude from it that, while ignoring the Geneva farce, we now wished in this way to express

² See document No. 29.

³ See document No. 33, footnote 8.

our willingness to return to Geneva. The Geneva resolution had merely shown us again what we would have to expect if we were to return to the illustrious assembly there. Our inclination to do so had not grown any stronger. In conclusion M. Comnen again stressed how useful it would be for us if we could meet and discuss matters with the statesmen of other countries by taking part in international conversations.

V. N[EURATH]

No. 65

8826/E614298-302

Memorandum by the Director of Department IV

BERLIN, May 2, 1935.

IV Po. 2927.

Yesterday (Wednesday) morning at 9 a.m. a meeting took place at the Reichsbank, under the chairmanship of President of the Reichsbank Schacht, on the devaluation of the Danzig Gulden.¹ Those taking part besides Herr Schacht were: [Vice] President Dreyse and two gentlemen from the Reichsbank; for Danzig: President of the Senate Greiser, Gauleiter Forster, the President of the Danzig Bank of Issue, Schäfer,² Finance Senator Hoppenrath and the agricultural expert Rettelsky; on behalf of the Foreign Ministry, Herr Geheimrat Woermann and myself.

Before the meeting opened, Herr Forster had announced that in a detailed discussion with the Führer, in which, besides Herr Schacht, Minister President Göring had also participated, it had been decided, after the closest study and consideration of the political and economic implications and of currency policy, that it was necessary to devalue the Danzig Gulden.

At the meeting Herr Forster presented a proclamation, which he had already submitted to the Führer, who had gone over and revised it.

I said that, besides the proclamation, which must of necessity be of a propaganda character, it was necessary to issue an official statement by the Senate, which could be used as a State document in any dealings with international authorities. It was then agreed that the proclamation should appear tomorrow on all public notice-boards in Danzig and that, over and above this, the Danzig Diet should be convened immediately for a special sitting on Thursday, May 2, at which the President of the Senate would read out a Government statement.

¹ By a decree-law of May 1 the Danzig Gulden was devalued by 42·3 per cent; see the Annual Report of the High Commissioner for 1935 in League of Nations: *Official Journal*, February 1936, pp. 210 and 216-219.

² In a memorandum of Apr. 16 (8826/E614314) Meyer recorded that on Apr. 12 he was visited by President of the Bank of Danzig Schäfer, who stated that depletion of the Bank's gold and foreign exchange was so severe as to render a devaluation of the Gulden inevitable.

The Government statement has been drafted by President of the Reichsbank Schacht in collaboration with the Danzig authorities and myself; a political introduction and a peroration will be added by the Danzig representatives.³

Herr Forster's draft of the proclamation contained a passage stating that the Gulden would be brought into parity with the Zloty. This caused considerable misgivings on both political and economic grounds. President Schacht suggested that the Gulden should be linked to the Pound [sterling]. Herr Schäfer objected on the grounds that the Pound was not stabilized; there already existed a certain relationship between the Zloty and the Gulden in railway and customs traffic, etc., whereas the economic life of the country would be even more severely shaken were an unstable currency to be introduced. Against this I argued that for political reasons any formal parity between the Gulden and the Zloty must be avoided whatever happened, and I suggested devaluing the Gulden to the level of the Pound, which, as it happened, was equal to that of the Zloty at present, and that a gold standard should be established, taking the rate of the Pound as a basis. This suggestion was accepted. Accordingly the reference to the Zloty in the proclamation has been dropped and the following wording preferred, that "the Gulden has been revalued on a firm gold standard"; the Government statement is phrased to the effect that the complete departure from the English Pound of September 1931 "has now been cancelled and the value of the Danzig Gulden has been fixed on a firm gold basis at 57.5 per cent of its previous value".

President Greiser then said that the Senate had so far received approximately 4 millions a month; as a result of the devaluation of the Danzig Gulden this sum would now correspond to a contribution of approximately 2 millions. He asked if the President [of the Reich Bank] could make a firm promise of 1 to 1½ millions a month. President Schacht categorically rejected this request and said that Danzig would not get another Pfennig, whereupon some rather heated exchanges occurred between Herr Forster, Herr Schacht and Herr Greiser, in the course of which the Danzig Senate representatives expressed the view that the devaluation of the Gulden would serve no purpose if, in four weeks' time, they were again going to be at the end of their resources. I then intervened and asked Herr Schacht whether he also intended to stop the payments for pensions, etc., which were a treaty commitment. At first Herr Schacht said that the pensioners should go and live in Germany, but he then said that he was prepared to maintain the payments which were a treaty obligation. There then followed a dispute between Herr Schacht and the agricultural expert Rettelsky over Herr Darre's import policy. Herr

³ The statement as finally worded, which was telephoned from Danzig on May 2, is not printed (6203/E468513-16).

Schacht said that in future there would be no question of paying for any agricultural quotas. He was prepared to credit in Germany the payments for Danzig agricultural produce. Finally I pointed out to Herr Schacht that the Danzig credits for deliveries of agricultural produce now frozen in Germany amounted to approximately 15 million Marks, to which further frozen credits to the value of 10 to 15 millions must be added. A second attempt by Herr Forster and Herr Greiser to obtain Herr Schacht's approval in principle for any allocations of foreign exchange was categorically rejected by Herr Schacht, who referred the Danzig gentlemen to the Führer and closed the meeting, as he had to go to the Tempelhofer Feld [airport].

After Herr Schacht had left, the Danzig gentlemen and I held a discussion amongst ourselves. I defined the position by saying that it must surely be possible to draw up an accurate plan for the acceptance of agricultural produce, stating what Danzig produce could be accepted and paid for within the framework of Germany's total imports. This was, however, a subject which could only be settled by the Führer in a high-level conference with Herr Darré and Herr Schacht. I therefore suggested that the Führer should be requested to convene as soon as possible a high-level conference on both this question and that of whether no further sums whatsoever were to be made available after the devaluation had taken place. Herr Greiser wanted first of all to await further developments and thought the conference need only take place towards the end of next week. I pointed out the risks entailed by such a postponement. In four or five days' time we would already know what were going to be the consequences of the action taken by Danzig and it would be dangerous to postpone any possible countermeasures until the end of the week, or worse still, until a week later. I suggested that a conference be arranged for the middle of next week. Herr Greiser agreed with this suggestion.

MEYER

No. 66

7467/H182507-10

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 113 of May 3

LONDON, May 3, 1935—8:00 p.m.

Received May 3—8:35 p.m.

II R 1095.

With reference to my telegram No. 112.¹

I had a long conversation with Simon today. I began by expressing regret that in the past days there had arisen, for no apparent reason, a

¹ Not printed (7467/H182503-05); in this telegram of May 3, Hoesch reported on the foreign affairs debate in the Commons on May 2.

new campaign of agitation against Germany; I pointed, again with regret, to the familiar article by MacDonald.² I explained Germany's grave disappointment at British participation in the pronouncement by the Council of the League of Nations on German rearmament,³ and made reference to our Note of protest.⁴ The only apparently new item on the German side was, I said, the publication of our submarine plans. *De facto*, however, this represented nothing new, since it was implicitly contained in our well-known demand for a naval strength equivalent to 35 per cent of the British naval strength.

Simon then explained with the utmost seriousness the extreme difficulties which he personally had had to overcome in order to carry through his own planned visit to Berlin in spite of our announcement of the introduction of universal military service. The notification of our submarine plans, he continued, of which nothing had been said in Berlin, had been taken here as a further instance of anticipating a position which should have been the subject of negotiation. Again he had had to overcome great difficulties in insisting that the Anglo-German naval conversations should be held as planned. He was not sure whether the British Government would accept a third case of similar anticipation on the German side.

However that might be, the main thing now was not to reproach one another but to look for solutions. The British Government had learned that the Führer was planning a political pronouncement for the middle of May.⁵ MacDonald's and his own speeches of yesterday⁶ had been consciously designed to ease the way for the Reich Chancellor's possible pronouncements on foreign policy. There had therefore been no polemics against Germany's behaviour in these speeches (apart from an expression of regret); the most important parts of the texts had, rather, been drafted with the express object of stimulating positive statements on the German side about the problem of security. In this connection he drew particular attention to a passage in MacDonald's speech saying that the British aim was to increase the number of participants in that community of like-minded Powers, which now included Britain, France and Italy, and to prevent by all possible means the splitting up of the Powers into separate groups; also to the subsequent passage in which an appeal was made to Germany to contribute to the restoration of international confidence. Simon pointed also to the end of his own speech in which he emphasized expressly that the British Government had left the door open and prepared the way, and also appealed to Ger-

² See document No. 46 and footnote 12 thereto.

³ See Editors' Note, p. 65.

⁴ See document No. 36, footnote 2.

⁵ See document No. 50.

⁶ For the texts of these speeches see *Parl. Deb., H. of C.*, vol. 301, cols. 569-577 and cols. 678-688.

many to make a contribution by her actions to the work of preserving the peace of Europe, in accordance with the principle agreed at the Five Power Conference of December 1932,⁷ that the restoration of Germany's rights should be realized within a "regime of security". The British Government were looking forward to the Chancellor's statement with keen interest and very much hoped that the Reich Government would recognize the British intention to prepare the way, by yesterday's Ministerial speeches, for a positive announcement by the Führer, and would use it in such a way as to decrease the tension in the European situation by a promise of positive German cooperation. So as to avoid any disturbance of the foundation laid for the Führer's forthcoming pronouncement by yesterday's official statement of views, the British Government (he informed me in confidence) intended to postpone until after the Chancellor's speech the proposed second debate in the House of Commons on the armaments question.

I then asked the Secretary of State how we were to understand MacDonald's observation in connection with the Eastern Pact problem, that the British Government hoped that Germany would herself take immediate steps to further the realization of the Reich Chancellor's intentions in relation to an Eastern pact. I observed in this connection that surely Germany could hardly be expected to urge the conclusion of an Eastern pact, for which in a limited form she had indeed promised her cooperation, but which it was well known was of no interest to her. Sir John showed understanding, but thought that MacDonald had in fact wanted to give a stimulus towards contact with Germany with the idea of realizing a plan for a limited Eastern pact.

The general impression gained from the conversation was that, although the British Government were much put out by the notification of our plans for submarine construction (which was very awkward for them at this particular time), they were wanting to drop polemics as much as possible, to relegate the Geneva vote of censure to the past, and to give the Reich Government the incentive for a pronouncement which will enable Britain to pursue its mediatory policy with the aim of avoiding the encirclement of Germany.⁸

HOESCH

⁷ For the text of the "Five Power Declaration of December 11, 1932" see vol. I of this Series, Editors' Note, p. 18.

⁸ Telegram No. 114 of May 4 (7530/E541428) from the Naval Attaché to the Naval Command reads:

"The Ambassador has had a long conversation with Sir John Simon (see Embassy telegram No. 113 of May 3 [the document here printed]). Simon went thoroughly into the submarine question and asked for early information as to whether, as he had heard, German submarines were already afloat. The Ambassador, basing his reply on information from me, denied this—subject to further enquiry. The Ambassador urgently requests information as to the facts and confirmation that only the hull of the first boat is to be launched on May 27 (i.e., not yet serviceable; important in view of forthcoming negotiations) together with authority to use this information at his own discretion."

No. 67

3648/E032930-37

*Unsigned Memorandum*¹

May 3, 1935.

Subject: Imponderabilia in our export trade.

Obstacles to German exports which can be statistically assessed are substantially as follows:

1) *Currency devaluations* by the other countries, a steadily increasing factor both in degree and extent. It is particularly our chief competitors in industrial exports, Great Britain, the United States of America and Japan, who make life difficult for us in all world markets.

2) The *nationalist* economic policy, which is everywhere on the increase and which finds expression in the development of home industry, protective tariffs, import quotas, etc.

3) The constant *reduction in purchasing power*, occasioned by the general recession in world trade and by the international currency situation, of a number of the smaller States, chiefly comprising the countries of South-Eastern Europe but latterly also including Italy.²

4) The *Clearing Agreements*,³ which have come into being both as a result of the international currency situation and also especially as a result of our inability to service foreign loans;⁴ of necessity, these clearing agreements restrict trade to what is possible between two individual countries, i.e., they replace multilateral by bilateral trade.

Since, on the other hand, the German internal price level, which is high compared to those of our competitors, further restricts German exports, we are obliged to support our exports by subsidies if we wish to compete at all. Until recently this support was made possible by our repurchasing foreign loans to Germany at a low price and using the surplus gained from the difference in the rate of exchange as an *export subsidy*.⁵ This procedure, which not only placed the burden of our export subsidy on foreign countries but also considerably reduced our foreign debts, has no longer been feasible since about the middle

¹ This memorandum comes from the files of the Adjutants to the Führer. For Schacht's account of its origins and its presentation to Hitler, see Hjalmar Schacht: *My First Seventy-Six Years* (London, 1955), pp. 346-348, where an extract from the document is also printed.

² A secret German-Italian Trade Agreement had been signed in Rome on Apr. 16, 1935 (5993/E441772-94). In a memorandum of Apr. 18 (5993/E441811-12) Clodius stated that the German purpose in negotiating this agreement had been to prevent a drop in German exports to Italy as a result of the new Italian imports policy, and to forestall an Italian demand for a reduction in the foreign exchange surplus accruing to the Reichsbank from German-Italian trade.

³ See vol. III of this Series, *passim*, especially documents Nos. 13, 169 and 316; see also the present volume, document No. 22.

⁴ See vol. II of this Series, document No. 490 and vol. III of this Series, document No. 9, footnote 1, and *passim*.

⁵ See vol. II of this Series, document No. 151, and the present volume, document No. 22, with footnote 5 thereto.

of 1934, because we have not had the necessary foreign exchange with which to buy up the foreign loans. At present our entire resources of foreign exchange are being spent either on raw materials or on food-stuffs from abroad. In order to prevent any interruption in the payment of the export subsidies, we have in recent weeks successfully negotiated with all branches of German industry with the result that the export subsidies will be provided by a *levy on industry itself*.⁶ This procedure is a very unpleasant necessity, for the levy comes from home resources and consequently withdraws inland revenue from other purposes, e.g. armaments. From what has been said it is clear how imperative is the need to save *foreign exchange*, or, alternatively, to acquire fresh foreign exchange by exports.

Considered from this imperative aspect, it appears to me necessary to point out, alongside these obstacles which can be statistically assessed, other obstacles which cannot be expressed statistically but which function as the imponderabilia in our export trade. What is set forth on this subject below is not based on theory but on a great deal of practical experience acquired in the German export trade, and on the investigation of individual cases. Even where our prices are as low as, or even lower than, those of our competitors, and where the quality of our goods is as good as or better than theirs, in innumerable cases the German exporters have failed to conclude business deals because the *mental or emotional attitude* of foreign countries is antagonistic to Germany. As this had been proved to be the case long before March 16, 1935,⁷ it would be incorrect to associate this hostile attitude merely with German rearmament or Germany's asserting her desire for equality. In principle Germany's endeavours in this respect frequently meet with much sympathy, even in some quarters in those countries which are politically hostile to us. It is, rather, the case that it is quite other considerations which count and which can be summed up in the statement, "Germany is not ruled by law but by arbitrary power". It is self-evident that the Germany of the Third Reich must differ from a liberalistic or parliamentary régime; the only question is, whether this requirement cannot be complied with in such a way as to avoid unnecessary antagonism between ourselves and those nations on whom we are obliged to depend both for our export markets and for our sources of raw materials. Therefore only the most important of the imponderabilia with which our exporters are constantly confronted are set out below.

1) *The Church question.*

Officially the Third Reich is based on Christianity, for which reason the German churches are financed by the State. Over and above this

⁶ See also documents Nos. 157 and 174.

⁷ The date of Germany's reintroduction of universal military service; see vol. III of this Series, documents Nos. 532 and 538.

it is evident that the Government wish as far as possible to unite the German churches in the German national spirit. No legislative steps have been taken in this direction, but a Reich Bishop⁸ has been installed, who takes measures outside the law which goad the representatives of the various denominations to resistance. As a result, clergy are arrested, treated like criminals, injured both in honour and health, and all this happens without any legal justification. Over-zealous Party fighters are permitted to insult and injure members of the most diverse confessions without the State exercising its duty of affording them protection. This state of affairs has aroused, especially in the Anglo-Saxon and Scandinavian countries,⁹ and also, wherever Catholic susceptibilities have been hurt, in the corresponding Catholic countries, the strongest possible antipathy and has given rise to widespread indignation against Germany, which in many cases has resulted in a refusal to do any business with Germany.

2) *The Jewish question.*

The Jewish world boycott of Germany, which originated with the passing of the Aryan laws,¹⁰ lost much of its effectiveness in the course of recent months. Even though the majority of foreign politicians reject anti-semitism as a principle, it is nonetheless true that the Jews were not and are not loved anywhere, and understanding for the point of view that the political and cultural destiny of a nation may not be left in Jewish hands has grown considerably and has to a great extent been privately recognized as giving a lead. But what has brought up the Jewish question in a more acute form is once again the unbridled persecution outside the law of individual Jews, in fact even in contravention of the Government's express decrees which guarantee the Jews a possibility of participating in the economic life of the country. The tormenting and persecution of individual Jewish persons under the leadership of or in collaboration with Party Offices, and the failure of the State institutions to intervene, causes the Jewish boycott of German exports repeatedly to flare up again, because every single incident, even the most insignificant, is magnified and spread abroad in accordance with Schopenhauer's well-known dictum: if somebody treads on a Jew's toe in Frankfurt, the whole international press from Moscow to San Francisco raises a wail.

3) *The Gestapo.*

No serious politician would wish to dispense with the services of the Gestapo in the fight against Communist and other activities

⁸ Dr. Ludwig Müller; see also vol. III of this Series, document No. 15 and footnote 1 thereto.

⁹ See also vol. III of this Series, documents Nos. 15, 211, 213, 218, 246, 251 and 252.

¹⁰ See vol. III of this Series, document No. 15, footnote 13.

hostile to the State. But the actions of the Gestapo extend far beyond this sphere and numerous persons are arrested, sent to concentration camps, etc., often without even being told the reason why they have been arrested, and often, unfortunately, when they are not guilty, but only suspect. The Minister of the Interior, admittedly, issues decrees prohibiting such arrests, but in doing so he merely exposes himself to ridicule, for the Gestapo takes no notice of such decrees. Seven hundred years ago Magna Charta [sic] guaranteed the English citizen his personal freedom and three hundred years ago the Habeas Corpus Act laid down that no English citizen might be imprisoned without being told the crime of which he is accused and without being given the right to trial before a court of law. Ever since, the freedom of the individual and the right to a proper legal hearing have been looked upon as the dearest possessions of civilized man. The Gestapo's contrary procedure has caused us to be despised the whole world over. This contempt grows into open enmity when, as has happened, the Gestapo violates international law and reaches out into other countries.

In respect of each of the three points set forth above there constantly recurs the question: MUST all these things be done in this way? The desires and needs of the Third Reich are fundamentally indisputable. Why then must their fulfilment be undertaken in such ways, and by such methods, as to earn for us the hostility of the foreign markets we so urgently need?

1) Let the German Faith Movement [*Deutsche Glaubensbewegung*] be promoted, if so desired. Let attacks on this Movement be subject to legal penalties. But let there be no individual violence against religious convictions. Christianity needed 350 years to assert itself. The German Faith Movement can easily damp its ardour for three or four years until we have accomplished our rearmament.

2) Let the Jews be branded to any desired extent as inhabitants with inferior rights by law, but as far as those rights are concerned which it is thought fit to leave them, let them be guaranteed State protection against *fanatics and the uncivilized*.¹¹

3) Let the Gestapo be restricted to definite supervisory duties necessary to the welfare of the State and accord to every arrested person both the right to be informed within 24 hours before a proper court of law of the reason for his arrest and the right to defend himself.

The above measures would not impede in any way the fulfilment of State requirements and they would considerably improve the attitude of foreign countries, which is at present so ill disposed towards our exports.

¹¹ See also document No. 268.

No. 68

7467/H182547-50

The Ambassador in Great Britain to the Foreign Ministry

A 1538

LONDON, May 4, 1935.

Received May 6.

II R 1113.

With reference to my report A 1377 of April 17.¹

Subject: The Western Powers' Air Pact.

You are aware from my report referred to above that, during a conversation with Wigram, Counsellor of Embassy Prince Bismarck on my instructions raised the question as to what should be the interpretation of the passage in Point 4 of the Stresa resolution² which states that the Western European Air Pact of the Five Powers could be accompanied by bilateral agreements.

Since the information supplied by Wigram, which is repeated in the memorandum which Bismarck furnished at the time, did not appear to me to give a sufficiently clear picture, I myself raised the same question with Sir John Simon yesterday.

Sir John was fully informed of Bismarck's conversation with Wigram and immediately sent for the memorandum on the conversation which Wigram himself had drawn up, the contents of which he then confirmed. I then remarked that the statement in the resolution that the main Pact could be accompanied by bilateral agreements must clearly indicate that the possibility of bilateral agreements among parties to the Pact had been envisaged. Such agreements appeared to me to be scarcely compatible with the spirit of the Pact. In any case, such bilateral contracts must, if they were not in each case concluded amongst all parties to the Pact, upset the balance of the main Pact and thus run contrary to its true spirit. On the other hand, the conclusion of bilateral contracts between all parties to the Pact seemed hardly feasible either from the conceptual or the technical point of view, especially if contracts of a military nature were envisaged.

Sir John seemed to think that this did indeed constitute an awkward point in the Stresa agreements. He began by stressing that the relevant passage in Point 4 so far only represented an hypothesis and that Britain in particular had so far in no way envisaged a realization

¹ Not printed (7467/H182410-14).

² See document No. 33, footnote 3. Point 4 of the Joint Resolution of the Stresa Conference of Apr. 14 reads: "As regards the proposed Air Pact for Western Europe, the Representatives of the three Governments confirmed the principles and procedure that should be followed, as envisaged in the London communiqué of February 3, and agreed to continue actively the study of the question with a view to the drafting of a pact between the five Powers mentioned in the London communiqué and of any bilateral agreements which might accompany it."

of this hypothesis. However, he indicated that the question of the possibility of bilateral agreements within the Pact becoming necessary had indeed been raised at Stresa from another quarter and this on the grounds that the essence of the Pact was its immediate effectiveness in case of need and that, therefore, it would only be able to function in practice in such case of need if agreements had been made beforehand regulating the technical details of the cooperation of States on the defensive against any particular aggressor.

I then stressed once again that bilateral agreements which were not concluded amongst all members of the Pact would prejudice the position of those States which had not been included in the system of bilateral contracts and that, on the other hand, it was hard to see how, for instance, State A could conclude military agreements with B for the event of C being the aggressor, and at the same time with C for the event of B being the aggressor, since, apart from everything else, the principle of keeping military affairs secret excluded the possibility of a mutual contractual relationship of this kind.

Sir John in no way denied the existence of this complication, nor did he contradict me when I indicated that I thought that France and Italy were clearly thinking of prejudicing the Pact by bilateral military air agreements between themselves, thus destroying its true essence which was real, unprejudiced *assistance mutuelle*. He repeatedly stressed, however, that no commitments had been entered into and that so far there had only been mention of an hypothetical possibility.

The Foreign Secretary countered my criticism of the fact that the proposal for an air pact, originally brought forward by Britain and France with so much enthusiasm, had been pushed into the background once Germany had said that she approved of it, by reminding me, in particular, of MacDonald's statements in the Commons the day before yesterday,³ which contained a reaffirmation of the air pact concept. Sir John added that the Foreign Office legal experts were engaged in drawing up draft texts for the Air Pact. The British Government had also received proposed texts from the other presumptive members of the Pact and these proposals were now being examined. He would greatly welcome it if the German Government, too, would make their contribution, so that the British Government, who after all considered themselves to be the sponsors of the projected Pact, might compare the various drafts and give some idea of what form the Air Pact might finally take.

This suggestion appears to me to be worthy of note and I would therefore suggest that a German draft text might now be sent me so that I could submit it to Sir John Simon.

Hoesch

³ See *Parl. Deb., H. of C.*, vol. 301, cols. 569-577.

No. 69

3088/623178-79

Memorandum by the Foreign Minister

BERLIN, May 6, 1935.

RM 372.

The Japanese Ambassador¹ called on me this morning and began by introducing his new Counsellor of Embassy² who had hitherto been Head of the Trade Department in Tokyo. At the Ambassador's request, the Counsellor of Embassy gave a fairly detailed *exposé*, pointing out that the Japanese Government would be compelled to impose import restrictions on German goods if Germany were to proceed to impose quotas for Japanese goods or if the payments for Japanese goods were not transferred. He referred in this connection to the Japanese action *vis-à-vis* Canada.

I asked the Ambassador to take the Counsellor of Embassy to the competent department and inform them of what he had said, since I did not know whether it was our intention to impose the restrictions of which the Counsellor had spoken.³

The Ambassador then enquired about the impending Anglo-German naval talks. I explained to him the origin of these negotiations, which were intended to be preliminary discussions for the Naval Conference in the autumn. Asked whether Britain had invited us to attend this naval conference, I replied that Sir John Simon had said it was desirable to have Germany take part in the Conference.⁴

The Ambassador also wished to know more about our desiderata in respect of naval armaments. I told him that I could not give him any information since these had not yet been drawn up. But, as he knew, we were desirous of possessing all the types of ships possessed by the other naval Powers. How far we would then make use of this right remained open.

Turning to the Franco-Russian Pact, the Ambassador enquired as to our views on it. I replied that we regarded this Pact as being, in spirit, directed against us. The significance of the certainly highly complex individual provisions depended on what political effects they were caused to have.

Finally the Ambassador mentioned the racial question. He asked whether any directives had been issued with regard to treatment of the Japanese race. I answered that no recent directives had been issued, whereupon the Ambassador said that discrimination against

¹ Kintomo, Viscount Mushakoji.

² K. Inoué.

³ Details of the subsequent quota negotiations have been filmed on Serials 8888, 8889, and 8992.

⁴ See document No. 19.

the Japanese race had caused a great deal of bad blood in Japan and any legislation embodying such discrimination on our part could not fail to affect German-Japanese relations.⁵

V. N[EURATH]

⁵ See also vol. III of this Series, document No. 182.

No. 70

6695/H102866-69

The Ambassador in the Soviet Union to the Foreign Ministry

A 1044

Moscow, May 6, 1935.

Received May 8.

IV Ru. 1794.

Subject: The Soviet Russian-French Pact of Mutual Assistance of May 2, 1935.¹

The signing of the Soviet-French Pact of Mutual Assistance has caused no sensation in Moscow. The political developments of recent weeks clearly showed that the two contracting Powers were determined in spite of all difficulties to bring about the proposed Pact, once it had become apparent that there was no immediate prospect of the proposed North-East European regional pact becoming a reality. It is extremely difficult to determine at this early stage how the Russians really view the Treaty. The strict isolation in which the Diplomatic Corps has for some time been kept, the terror which at present prevails in the Soviet Union, and perhaps also the lack of complete unanimity in influential quarters as to the desirability of Litvinov's foreign policy, impose such a reserve, in conversations of a political nature, on any Russian one may meet at social functions, that, apart from the official view given in the press, the Russians cannot be induced to give any opinion. In this respect it is typical that the Director of the Second Western Department² told Counsellor of Embassy von Twardowski, in answer to a question about the Treaty, that if the German Embassy wanted an official statement about the interpretation of the Treaty, they should speak to M. Krestinski³ or M. Litvinov. The only opportunity of speaking to Litvinov or Krestinski on a social occasion which has so far offered, was at a reception at the Polish Embassy on May 3, when Litvinov was besieged by such a terrible mob of Ambassadors and Ministers that not a word of serious conversation was possible.

Generally speaking it appears to me, from occasional remarks by

¹ For the text of the Treaty of Mutual Assistance, and Protocol of Signature, between France and the Soviet Union, signed in Paris on May 2, 1935, and ratified on Mar. 27, 1936, see League of Nations: *Treaty Series*, vol. CLXVII, pp. 395-406.

² D. G. Stern.

³ Deputy Foreign Commissar.

Russian personalities and from Soviet press comment, that this Treaty of Alliance, which, in the Russian view, was suggested in the autumn of 1933 by Paul Boncourt [*sic*],⁴ was really intended as a means of forcing Germany to join the North-Eastern Regional Pact.⁵ Thus, according to all the information I have been able to obtain, concrete discussion of this treaty only opened once it had become clear that Germany would in no circumstances agree to a regional pact in the proposed form and in the present state of affairs. At that stage, an *entente* could no longer be avoided and they had willy-nilly to draft this Pact, whose extremely cautious and elaborate language does not give the impression of two partners wishing to bind themselves to one another at all costs. On the contrary, one could, if one were so minded, infer from the very text of the Treaty and the attached Protocol that France at least has left herself a good many loopholes. Nor can it be denied that Litvinov by no means achieved all he had hoped for; there is no definition of an aggressor or of the nature of the assistance to be rendered, nor is automatic assistance guaranteed, nor does the Treaty cover attacks by Russia's actual neighbours. Before assistance is in fact rendered, the Council of the League of Nations must give the word, which, in the Russian view, would cause much valuable time to be lost and only if Germany, who does not border on Russia, should be the aggressor and identified as such, is France pledged to render assistance.

Nevertheless, the fact that, despite all difficulties, the Franco-Russian *entente* has been consolidated by a treaty is a political factor which will have far-reaching effects on our Eastern policy, since, as far as can at present be seen, the Soviet Union and France will now pursue a common policy in Europe.

Litvinov's foreign policy is to set up regional pacts with mutual assistance agreements in all possible disturbed areas in Europe, to inter-link these pacts and thus to cement the territorial *status quo* by means of this pact system. The Franco-Russian Pact of May 2, 1935, is the first stage. It is not to be expected that Litvinov will allow himself to be deflected from his endeavours to achieve his aim. Press reports claim that, on the occasion of Laval's visit to Moscow on May 13-15, the question of the accession of the Baltic States to a regional pact is to be discussed. The visits of Beneš⁶ and Titulescu are to serve the same purpose.

Soviet diplomacy *vis-à-vis* Germany will, in spite of all peaceful assurances, remain aggressive until either Germany adopts the principles of Litvinov's pact policy or Litvinov realizes, from the reactions of the other Powers, that this course will not get him any

⁴ Paul Boncourt, at that time French Foreign Minister; see also vol. II of this Series, documents Nos. 147 and 148.

⁵ See *ibid.*, documents Nos. 169 and 173.

⁶ Beneš visited Moscow June 8-20, 1935.

further. The policy of the free hand, of uncommittedness, which has up till now seemed desirable as an aim of Soviet foreign policy, would appear to have been temporarily abandoned with the signature of the Pact of May 2, 1935.

An account of the attitude of the Soviet press to the Treaty of May 2 is enclosed.⁷

SCHULENBURG

⁷ Not printed (6695/H102872-74).

No. 71

5737/H029294-95

The Director of Department II to the Embassy in Italy

Telegram

IMMEDIATE
No. 115

BERLIN, May 7, 1935—9:15 p.m.
zu II It. 737¹ Ang. I.

With reference to your private letter to the Foreign Minister.²

Our attitude towards the present international situation will be the subject of a special announcement in the middle of the month. This announcement must, naturally, not be anticipated in any way. You should, therefore, if your visit to Mussolini should take place, on the whole maintain reserve. There would, however, be no objection to your giving it as your purely personal view that Germany, as will be easily appreciated, holds Italy primarily responsible for the unprecedented resolution of the Geneva Council³ since it was a consequence of the Stresa Conference.⁴ You might also hint that, to your knowledge, Berlin is very seriously studying the difficult question of whether the Franco-Russian Pact⁵ is compatible with Locarno. In this connection I would draw your attention to the despatch being sent for your information by today's courier.⁶ I would further draw your attention to despatch II Italien 727, forwarded by the same courier, on the Foreign Minister's conversation with Cerruti.⁷

KÖPKE

¹ The registry number given to report I 250 of May 2 from Rome (5737/H029287-93).

² No such letter has been found.

³ See Editors' Note, p. 65.

⁴ See document No. 33 and footnote 3 thereto.

⁵ See document No. 70, footnote 1.

⁶ Document No. 72.

⁷ See document No. 63 and footnote 6 thereto.

No. 72

6695/H102829

*Circular of the State Secretary*¹

BERLIN, May 7, 1935.
e.o. IV Ru. 1777 Ang. I.

I enclose, for your personal information, an analysis² of the Russo-French Treaty of Alliance of May 2. As emerges from this [analysis], we are faced with the question as to whether or not we wish to regard this Treaty as compatible with the Locarno Rhine Pact. We will not, admittedly, be able to make a formal protest against the Treaty as constituting a direct violation of Locarno, but we are considering a diplomatic *démarche* with the guarantors of Locarno, to the effect that, in view of the, to say the least, ambiguous contents of the Treaty, we are entering a protest against any unilateral interpretation of Locarno. Such a step can, however, not be taken until after the forthcoming foreign policy statement in the middle of this month. This statement and *démarche* should not be anticipated in your conversations.

BÜLOW

¹ Addressees were the Missions in Paris, London, Rome, Moscow, Warsaw and Brussels. The other Missions in Europe (except the Embassy to the Holy See and the Legations in Dublin and Lisbon), the Missions in Washington, Tokyo, Ankara and Peking, the Consulate General at Danzig and the Consulate at Geneva received copies of the document here printed and its enclosure under Ang. II of May 10 (6695/H102830).

² Not printed (6695/H102832-38).

No. 73

3088/623180

Memorandum by the Foreign Minister

BERLIN, May 7, 1935.
RM 374.

During his visit yesterday,¹ the Japanese Ambassador also mentioned the question of mandates. He said that according to press reports the Chancellor, during Sir John Simon's visit,² had demanded to be given mandates as a pre-condition for Germany's return to the League of Nations and had dwelt especially on the point that Japan was still administering mandates after her withdrawal from the League.

I told the Ambassador that, in the conversations with Sir John Simon, the question of mandates had, it was true, also been discussed. The Chancellor had at the same time pointed out that the present discrimination in the question of colonial and mandated possessions

¹ See document No. 69.

² See vol. III of this Series, document No. 555.

would also have to be settled before any possible German return to the League of Nations. Otherwise the curious situation would arise of Japan, although outside the League, being granted the right to administer mandates, whereas this was denied Germany, by then a member of the League.

The Ambassador declared himself satisfied with this explanation.

V. N[EURATH]

No. 74

7468/H182949-50

The Ambassador in Great Britain to the Foreign Ministry

Cipher letter

A 1546

LONDON, May 7, 1935.

II R 1134.

Subject: Anglo-German naval conversations.

Mr. Craigie, the Head of the American Department of the Foreign Office, who has, as is well known, played an important rôle on the British side in the preparatory naval conversations to date and has also been chosen for a similar part in the forthcoming Anglo-German conversations, spoke to me yesterday about these conversations.

He enquired first who would lead the negotiations on the German side; I confirmed that Herr von Ribbentrop had been entrusted with the leadership of the German delegation, and that, while recognizing their great importance, we regarded the conversations as negotiations of a technical character.

Mr. Craigie confirmed their technical character, but added that Sir John Simon, as well as he himself, had taken the chair at the naval conversations to date; he would introduce the Anglo-German exchange of views, too, in person and keep a general eye on them. I again pointed out that our delegation had a political head in the person of Herr von Ribbentrop.

Mr. Craigie further asked me to bring influence to bear at home to prevent any further announcements being made about German intentions in the naval sphere; anticipating events in this way had a thoroughly bad effect on British public opinion and would thus be certain to prejudice the chances of good results from the conversations.

I know from authoritative persons at the Admiralty, and in particular from the First Lord himself, that they are most anxious to avoid any further postponement of the Anglo-German conversations. The Admiralty itself is already rather perturbed by the fact that the delay which has already intervened has curtailed the time available for the negotiations as a whole. I would therefore recommend as a firm pro-

gramme that our delegation should hold itself ready for the naval conversations here immediately after the Führer's forthcoming pronouncement.

The First Lord of the Admiralty has further told a member of this Embassy, in the exact sense of Sir John Simon's observations to me on Friday,¹ that further developments will entirely depend on the forthcoming speech by the Führer and that the British Government are anxiously awaiting it in the knowledge that nothing further can now happen until the Führer has stated his attitude to the situation anew.²

HOESCH

¹ i.e., May 3; see document No. 66.

² Marginal notes: (i) "[For the] R[eich] C[hancellor]. v. N[eurath], May 9." (ii) "The Führer is informed. M[eerwal]d, May 11."

No. 75

6695/H102854-59

The Ambassador in Poland to the Foreign Ministry

No. 798

WARSAW, May 7, 1935.

Received May 8.

IV Ru. 1790.

POLITICAL REPORT

Subject: Conversation with Foreign Minister Beck about the Franco-Soviet Pact and the events at Geneva.¹

Following my today's conversation with Foreign Minister Beck about opening economic negotiations (upon which I am sending a separate report),² a conversation developed about the political situation, in particular the Franco-Soviet Pact. M. Beck began by making some ironical remarks about the intricacy of this Treaty, which, after all, only fulfilled the Russian desires to a limited extent and which he foresaw would not last long. From the Polish point of view it was important that it should not be interpreted as imposing any fresh commitments, either directly or indirectly, on Poland; nor did he intend to allow any change to be made in the [Polish] treaty obligations to Russia and France. He did not, in any case, wish to be involved in this Franco-Soviet settlement in any way and this he intended to make quite clear to Laval,³ from whom, incidentally, he was expecting a detailed explanation of the Pact and of its political aims. Furthermore, he thought it important that the Pact, as finally concluded, was a purely bilateral treaty and that the Czech share in it would now also have to take the form of a further bilateral pact instead of a tripartite treaty as had originally been

¹ See documents Nos. 41 and 49, and Editors' Note, p. 65.

² Report No. 785 W Ang. I of May 7; see document No. 53, footnote 6.

³ Laval visited Warsaw May 10-12 on his way to Moscow.

planned (which last he had always thought highly undesirable). In the last analysis, these two bilateral treaties could still be regarded as the lesser evil compared with a multilateral solution, which would have created a situation confusing to all parties. The multilateral solution, i.e., the Eastern Pact, was in his opinion finished with for good, and he thought that he could claim that it was his speech in Geneva which had dealt it the death blow.

I replied that I was not entirely convinced that the Eastern Pact could be considered to have been finally disposed of, and I drew his attention to the Russian initiative in the Baltic States.⁴ M. Beck admitted that the Russians might be expected to make further attempts to achieve a multilateral security system, but he thought that that would merely be a rearguard action lacking in any real conviction. The Baltic States were, however, in a difficult situation and one must to some extent respect them for the courage they had so far shown. Whether they would be able to stand up to Russian pressure in the long run was perhaps doubtful. I asked M. Beck whether he had heard that Latvia and Estonia had been considering taking the initiative themselves. M. Beck replied that he was aware that the Estonians had plans for bringing about a unilateral declaration of guarantee by Russia, Poland and Germany, or else for bilateral pacts of non-aggression with these States. But, as far as he knew, these were only tentative schemes, and it was not certain that they would lead to any concrete proposals. There was no doubt that the Reich Chancellor's general offer to conclude non-aggression pacts had made a certain impression there. He did not know whether we intended to put these ideas into practice with regard to the Baltic States. I gave him an evasive answer and reminded him of the strained situation *vis-à-vis* Lithuania; I then asked him whether he for his part hoped to achieve better relations with Lithuania now that he had seen M. Klimas.⁵ M. Beck replied that with such unreliable and stubborn people one could never venture to prophesy. I asked him whether he did not feel a little more hopeful now and he replied that he actually had the impression that the Lithuanians were beginning to reflect and to realize that the isolated position into which the country had got itself as a result of its senseless policy over the last ten years was dangerous. M. Beck did not seem inclined to pursue this subject, but I had the impression that the interview with Klimas had had some results and I would be inclined to believe that the visit of Pilsudski's adjutant⁶ to Kovno, which was reported in the press, was also connected with this matter.

M. Beck later returned to the subject of his Geneva speech and

⁴ See document No. 16.

⁵ Lithuanian Minister in Paris.

⁶ Maj. Lepecki.

apparently greatly wished to make its importance clear to us. I took the opportunity of telling him that though the speech had pleased us very much, nevertheless the vote which had followed it had been a surprise and, I would openly admit, something of a disappointment. M. Beck reminded me that he had told me, before the Geneva meeting took place, that he thought it ridiculous that the League of Nations should be called upon to deal with this matter. The meeting had in fact been the most unruly and unpleasant one he had ever experienced. Here in Warsaw he was accustomed to reflect calmly and clearly, and here he had time to do so; in Geneva too he was accustomed to calm and clear reflection, but this time there had been so much excitement and he had been so tossed about that on the third day he felt as if he had been in Geneva for a whole fortnight. Before leaving for Geneva he had thought that the negotiations would proceed quite differently. He had assumed that there would be discussions on a draft resolution and that at that stage it would be possible, by the usual Geneva methods and by employing the customary Geneva style, to make the resolution less harsh. He had been greatly surprised when, instead of a *rapporteur* being appointed, the familiar resolution of the three Great Powers was submitted. He had always foreseen that the situation would be extremely difficult and he had told Herr von Neurath through M. Lipski⁷ at the time that he expected serious complications. In view of the state of affairs at Geneva, he had had to confine himself to dissociating himself, by means of his speech (in which he was the only one who said anything of material importance), from the resolution, but he had not been able to reject it and when the vote was taken he could not have done other than he did. He wished, however, to add in confidence that his personal view was that Poland's vote had done some good in so far as it had lessened the significance of the Russo-French Pact.

In conclusion M. Beck spoke briefly of the Danubian Pact and again stressed, though without going into detail, that Poland was still determined only to take decisions in this matter in the closest consultation with Hungary. He had also made this quite clear to M. Suvich in Venice.⁸

MOLTKE

⁷ This is presumably a reference to a conversation on Apr. 13, of which no record has been found; see, however, documents Nos. 28 and 30 and footnotes thereto.

⁸ This meeting took place on Apr. 19; see *The Times* of Apr. 20, 1935.

No. 76

6680/H096273-76

Direktor Brinkmann to Ministerialdirektor Ritter

REICH AND PRUSSIAN MINISTRY OF ECONOMICS,

BERLIN, May 7, 1935.

[Received May 7].¹

IV Chi. 891.

DEAR HERR MINISTERIALDIREKTOR: The reason for my venturing to approach you direct and for my troubling you with the following is that the matter is extremely urgent.

A few weeks ago, on the initiative of Herr Hans Klein in cooperation with Herr Keppler, President Dr. Schacht addressed to the Chinese Central Government in Nanking a communication (a copy of which is enclosed) for the attention of Marshal Chiang Kai-shek. Herr Keppler now informs us that Herr Klein has not handed this communication, which was given to him for transmission, to Marshal Chiang Kai-shek, but has asked that President Schacht should instead address it to Mr. H. H. Kung, the Finance Minister of the Chinese Government and President of the Chinese Bank.

President Dr. Schacht has stated that he will only be willing to meet this request if the Foreign Ministry has no objection to the communication being made to Mr. Kung.

In these circumstances I venture to request you to obtain a Foreign Ministry ruling as soon as possible, and I should be extremely grateful if you would then let me know at once so that I may inform Dr. Schacht who is taking a short rest in Badenweiler.

Yours etc.,

BRINKMANN²

[Enclosure]

[BERLIN], May 6, 1935.

YOUR EXCELLENCY: I have learned with great satisfaction of the agreement for the exchange of goods which your Government have concluded with Herr Hans Klein.³ In supporting the realization of the agreement with all the means at my disposal, I am following the wishes of my Führer.

¹ Marginal notes: (i) "Urgent. Herr Knoll for information. U[rich], May 7." (ii) "Submitted to M[inisterial]d[irektor] Meyer as being in your department. U[rich], May 8."

² Meyer's reply to Brinkmann of the Ministry of Economics, dated May 15 (6680-H096277), reads: "There are no objections of a political nature to the despatch of the communication. On political grounds I would however suggest that the first paragraph should read as follows: I have learned with satisfaction of the agreement for the exchange of goods which your Government have concluded with Herr Hans Klein and I am very ready to support the realization of the agreement with all the means at my disposal."

³ See also vol. III of this Series, document No. 508.

Germany is quite prepared and is in a position to receive from China large quantities of mining products and agricultural products and can, on the other hand, as a result of her highly developed industry, supply China with industrial products in every sphere.

I am convinced that the extremely fortunate fact that our powers and production potentials are mutually complementary will open up new channels to both our countries for their mutual economic development.

I should appreciate it if your Government would inform me as soon as possible as to what kinds and quantities of agricultural products and mining products we may with certainty expect to receive forthwith, during the first year, and during the second year.

As soon as I am in possession of satisfactory data, I am prepared to grant your Government a trade credit to the value of twenty million RM.

In the interests of the smooth performance of this agreement for the exchange of goods, I agree to Herr Hans Klein's proposal that the services of German organizations which already exist, and whose unblemished reputation and efficiency are known to me, should be enlisted. It will be the task of these organizations to take over the various products in China, to fix prices jointly with your Commissioners, to provide shipping space, to effect transport and to take delivery of the goods in Germany and hold them at my disposal. In order to protect our mutual interests, these organizations will be under official control.

I hope that the object of the agreement for the exchange of goods will be fully realized.

Pray accept, Your Excellency, my sincere good wishes for your personal well-being and the assurance of my highest esteem,

Yours etc.

To His Excellency, the Vice Minister President, Finance Minister of the Chinese Government and President of the National Bank of China, Mr. H. H. Kung.

No. 77

7467/H182560

The Foreign Minister to the Embassy in Great Britain

Telegram

URGENT

No. 93

BERLIN, May 8, 1935—6:30 p.m.

[zu] II R 1113.¹

With reference to your despatch A 1538 of May 4.¹

I am entirely in agreement with the remarks you made to Simon

¹ Document No. 68.

about the Air Pact. As regards the question of providing a German draft, it should be borne in mind that the Air Pact is very closely connected with the Locarno Treaties and that a new situation has been created with regard to these Treaties by the Franco-Russian Alliance. We cannot well take any steps in the question of the Air Pact until the situation with regard to Locarno has been clarified. I refer in this connection to our despatch IV Ru. 1777 of May 7.² On the other hand, it is of course desirable that it should remain open to us to submit a German draft and that the British should not prejudice our right to do so by their treatment of the matter. You should therefore tell Simon at the next opportunity that he is of course aware of our positive attitude to the Air Pact idea, but that we would prefer to put off submitting a draft (which we are, however, fully prepared to do) until the question of the relation of the new Franco-Russian Pact to Locarno has been clarified. You should say that we are at present still studying this question and will let him know as soon as we have finished.

V. N[EURATH]

² Document No. 72.

No. 78

6695/H102880

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

No. 76 of May 8

Moscow, May 8, 1935—7:46 p.m.

Received May 8—9:10 p.m.

IV Ru. 1820.

Litvinov told me today in a very friendly conversation that he hoped that the Franco-Soviet Treaty would soon be followed by a general pact of the kind suggested by Germany (non-aggression, consultation, non-support of the aggressor). In view of the German statements transmitted to Stresa,¹ he saw no objection to such a pact; the only difficulty was Germany's attitude to Lithuania. He considered the conclusion of a general pact urgently desirable. For one thing, it would help to "lessen the significance of the Franco-Soviet Pact" and, for another, it would lead to the improvement in relations with Germany which the Soviet Government desired above all things and which they now considered possible.

I listened without comment.

SCHULENBURG

¹ See document No. 29.

No. 79

7467/H182581

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 116 of May 8

LONDON, May 8, 1935—9:34 p.m.

Received May 8—10:40 p.m.

II R 1136.

MacDonald expressed his regret to me today that it had been assumed in various quarters that he had changed his attitude towards Germany. This was not so. In his heart he still felt exactly the same towards Germany. His sincerest wish was that Germany should join in international cooperation.

It is evident from his statements as well as from opinions expressed by other Ministers that the British Government attach decisive importance to the forthcoming pronouncement by the Führer.¹

HOESCH

¹ See Editors' Note, p. 171.

No. 80

6207/E469280-84

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, May 9, 1935.

IV Po. 3130.

DEAR HERR MEYER: In addition to my today's report—I G 561¹—on my conversation with Lester, I consider it necessary to send you a confidential memorandum on further statements made to me by the High Commissioner. I am therefore sending you enclosed three copies of this memorandum and I would request you to submit a copy to the State Secretary and the Reich Foreign Minister if you consider this desirable.²

With best wishes from my family to yours
and Heil Hitler!

Yours etc.,

RADOWITZ

¹ Not printed (9062/E635214-16). In this despatch Radowitz reported information from the League High Commissioner on the questions concerning Danzig (including that of Lester's own competence) which he was raising for discussion at the eighty-sixth session of the Council of the League of Nations on May 20-25 (see League of Nations: *Official Journal*, June 1935, *passim*).

² The document here printed was initialled by Bülow on May 11 and is marked: "Has been submitted to the Foreign Minister. Ko[tze], [May] 16."

[Enclosure]

STRICTLY CONFIDENTIAL

MEMORANDUM ON A CONVERSATION WITH THE HIGH COMMISSIONER
ON MAY 8, 1935

At my request the High Commissioner first told me which questions concerning Danzig are to be the subject of discussion at the next session of the Council. I have reported separately on this information under No. I G 561 of May 9, 1935.¹

After this I requested the High Commissioner to give me, with the frankness customary in our conversations, his impression of the present situation in Danzig and of the probable course of events at Geneva. He then told me approximately the following: He considered that all the personal differences which had of late existed between himself and the Senate were now cleared up. He did not intend to revert to them again in any way, lest he endanger the steady continuance of the work in hand. The result of the elections³ had disappointed him, for he had expected a 75 per cent majority for the NSDAP. This had not made the position of the Danzig Government any easier at Geneva since the existence of a 40 per cent opposition instead of a much smaller one made a great difference to the way in which Danzig's affairs were dealt with in the Council of the League of Nations. The importance of this factor was not to be underestimated, especially at the present session, when a whole series of major questions concerning Danzig were on the agenda. Throughout his last report he had taken great care to proceed in such a way as to exclude the possibility of Danzig being made a pawn in international politics; that was to say, he had contented himself with making a purely factual report, without adding any long commentaries which might have encouraged the above-mentioned trend.

On this occasion he told me quite openly and frankly—although requesting that what he was saying should be treated in strict confidence—that as an Irishman he had complete understanding for the great Movement in Germany and for her violent struggle for freedom, and that for this reason he especially regretted that, in spite of the tremendous use made of propaganda, the election had not provided that clear proof of the superiority of the Movement which had been expected. It was his impression that, especially as a result of the devaluation of the Gulden,⁴ which, as he quite saw, had been unavoid-

³ The elections for the Danzig Volkstag, held on Apr. 7, 1935, resulted in a vote of nearly 59 per cent for the NSDAP (see League of Nations: *Official Journal*, June 1935, pp. 819-826). By a decision of the Supreme Court of Danzig in November 1935, it was held that, as a result of election irregularities, the NSDAP was entitled to somewhat fewer votes or about 57.3 per cent of the total (see League of Nations: *Official Journal*, February, 1936, pp. 202-212).

⁴ See document No. 65 and footnote 1 thereto.

able, apart altogether from any internal considerations, a crisis of confidence in the Government had arisen which, to his mind, had begun by making itself felt in the election results.

Danzig's position at Geneva would be a difficult one this time. He would try to enable the Danzig Government to emerge from this situation with as little harm as possible, but, in view of the internal political conditions in Danzig and in view of the numerous complaints which had been made about the National Socialist Government, he was not in a position to prevent political capital being made out of all this by one side or the other.

The possibility of fresh elections being held troubled him greatly. He did not believe that the Council would object to the elections of April 7 on the grounds of the complaints that had been made or of legal opinions, but the Constitution itself permitted the Opposition parties to work for fresh elections by legal means, nor did he doubt that the necessary legal conditions could be fulfilled by the Opposition parties. He considered fresh elections, the result of which could not but be doubtful in view of the unsettled mood of the population, to be an eventuality fraught with danger in many respects, and one which he sincerely wished Danzig might be spared.

Finally, Lester brought up one more subject, namely, the Danzig police. He said, in this connection, that during the recent elections various incidents had occurred which had called in question the impartiality of the Danzig police. He was obliged to take this very seriously, for, even though, from the point of view of strength, training and achievements, the Danzig police constituted a quite excellent and completely adequate instrument for the maintenance of law and order in the territory of the Free City, all these advantages and qualities might easily lose their positive value in the eyes of an international body if the impartiality of the police in all its official actions was not established beyond all doubt. In this connection, he was obliged to draw my attention to certain statements which the President of the Senate had made to the police officials, and on the strength of which he was forced to consider the incidents during the elections about which complaints had been made as having been at least influenced by the instructions of the highest authority. In conclusion, the High Commissioner told me that he had been impelled to make these statements by his great anxiety about developments in Danzig in the immediate future, and, as he had said at the beginning of our talk, by his sympathy for the great ideals of the National Socialist Movement, which he could only sincerely wish every success in Danzig too.

R[ADOWITZ]

No. 81

7826/E567902-05

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 102 of May 9

ROME, May 10, 1935—1:25 a.m.

Received May 10—3:50 a.m.

II It. 760.

The following points from my conversation with Suvich today deserve mention:

In view of recent developments I expressed misgivings about the Danubian Conference¹ and the Danubian Pact. Firstly, because of the conclusion of the Franco-Russian Pact,² which, I said, clearly amounted to an alliance against Germany and could scarcely be reconciled with the Locarno obligations; secondly, because there was an increasing tendency to reduce the concept of intervention to a simple formula, namely, that it existed when emanating from Germany, but not when emanating from other quarters; thirdly, because one could not but fear lest it should seem that Germany was again being presented with a *fait accompli* of the "take it or leave it" kind. Suvich replied that he, too, still foresaw great difficulties in respect of the Danubian Conference, but primarily because of the Little Entente. As far as the Franco-Russian Pact was concerned, it did not affect the Danubian problem, to which I replied that France did, however, have a share in the latter. He, Suvich, was unable, he said, to judge the Pact so severely and call it an alliance, for it was the result of Germany's refusal to join the Eastern Pact and it was open to Germany's accession; I countered these arguments in the appropriate manner. As far as the Danubian Conference was concerned, Suvich strongly emphasized that nothing was further from the Italian Government's mind than to present Germany with a *fait accompli*. As a result of the Franco-Italian agreements,³ it had been Germany with whom discussions had first been opened. If talks had now been held with Austria and Hungary, this was entirely understandable in view of the fact that at the moment, as he had already mentioned, problems between Hungary and the Little Entente were in the foreground. The purpose and content of the Venice conversations⁴ had been no other than to discuss the general lines of policy regarding the Danubian Pact between the three signatories of the Rome Protocols⁵

¹ See document No. 33, footnote 8.

² Signed in Paris on May 2, 1935; see document No. 70 and footnote 1 thereto.

³ Concluded in Rome on Jan. 7, 1935; see vol. III of this Series, document No. 405 and footnote 1 thereto.

⁴ The Foreign Ministers of Austria, Hungary and Italy met in Venice, May 4-6, 1935.

⁵ Signed by Italy, Austria and Hungary, in Rome on Mar. 17, 1934; for the text see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-303.

and above all to clarify the Hungarian point of view and the extent to which Italy could support it. For this reason nothing had been formulated nor settled. The result was that Italy would advocate military equality of the three disarmed States as soon as the Danubian Pact, which fulfilled the need for security, was concluded. Hungary had agreed not to raise the question of revision within the framework of the Danubian Pact; in return, Italy would see to it that a precise definition of treaty rights was included either in the preamble or elsewhere, and that it covered, above all, the possibility of peaceful revision and the protection of minorities.

I mentioned that in Little Entente quarters it had been hinted to me that, if Hungary continued to make propaganda for revision and minorities and to demand military equality, they would consider following Poland's example and denouncing minority rights.⁶ This appeared to be new to Suvich.

Suvich stated that undertakings of non-intervention and non-aggression would constitute the substance of the Pact. *Assistance mutuelle* would be left to special and separate pacts. When I expressed misgivings at this, he said that the freedom to conclude such special pacts existed anyway. As far as non-intervention was concerned, he, Suvich, saw no insuperable difficulties in drawing up a formula, which, however, had not yet been done. The only point which might be worth mentioning in connection with the Venice conversations was that it had been emphasized that even on its own territory no State should tolerate the activities in question.⁷ The restoration question, also in regard to the Habsburgs, was, in the Italian view, a purely internal matter. I asked whether, then, the introduction of a National Socialist régime in Austria by the Austrians themselves was not also an internal matter, which he reluctantly admitted. The assertion, seriously put forward here, that Austria had had belated misgivings concerning the non-intervention clause, because it excluded a Habsburg restoration, and that was the reason for Schuschnigg's coming to Florence, was stated by Suvich to be completely incorrect. The conversation due to take place on Saturday⁸ between Schuschnigg, Mussolini and himself was not concerned with the formula on non-intervention, but was of a general character and quite natural since Schuschnigg was staying in Florence on holiday. He thought that future procedure should be first to try by diplomatic means to remove the difficulties between Hungary and the Little Entente; he did not believe that the Ministers of the Little Entente would come to Rome for this purpose. He would, however, be meeting Jevtić during the latter's journey to Geneva. The Danubian

⁶ See vol. III of this Series, document No. 210.

⁷ Marginal note in Lorenz's handwriting: "German *émigrés*!"

⁸ i.e., May 11.

Pact would presumably take a more concrete shape only after the League of Nations sessions, especially as the Marseilles affair⁹ would first have to be cleared out of the way there. Consequently, even now, June 3 must be considered impossible as the opening date for the conference, but it was still hoped that it would be possible to hold it before the end of June. It appeared likely that Yugoslavia and Rumania would propose that Turkey should take part in the conference. Italy failed to see the purpose of this. A Mediterranean Pact was not at present under discussion.

No new economic agreements appear to have been made in Venice.

I shall presumably see Mussolini early next week.

HASSELL

⁹ i.e., the assassination at Marseilles on Oct. 9, 1934, of King Alexander of Yugoslavia and the French Foreign Minister, Barthou; see vol. III of this Series, Editors' Note, p. 468.

No. 82

7467/H182584-86

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 119 of May 10

LONDON, May 10, 1935—10:57 a.m.

Received May 11—1:30 a.m.

II R 1163.

In accordance with today's telephone message from Dieckhoff,¹ I have just told Sir John Simon that the Führer's pronouncement will be made on May 17.² Simon confirmed that the Commons debate on rearmament has been fixed for May 22, i.e., after the Führer's pronouncement.

In accordance with the authority given in your telegram No. 94,³ I have also answered Simon's recent question, as to whether we already possessed submarines, in the sense that for the present we had only parts, but that assembly of parts was begun about three weeks ago; the first small submarine should be launched in the course of June, although the work of fitting out would not then be quite completed. The Secretary of State thanked me for this communication and expressed his satisfaction at such frank information.

Finally, I made statements on the Air Pact in accordance with your telegram No. 93.⁴ I again expressed our positive attitude to the idea of an Air Pact and reserved the presentation of a German draft text

¹ Not found.

² The pronouncement was actually made on May 21; see Editors' Note, p. 171.

³ Not printed (2067/449083); this telegram, which is dated May 8 and contains the Naval Command's reply to the enquiry of May 4 (see document No. 66, footnote 8), reads: "Rumours that German submarines are afloat are quite untrue. The first small submarine will probably be launched during June. The Chief of the Naval Command has no objection to the Ambassador's using this information at his own discretion."

⁴ Document No. 77.

until after we had examined the question of the relationship of the Franco-Russian Pact to Locarno. This led to a short discussion of the Franco-Russian Treaty. Without anticipating any future steps on our side, I underlined the element of alliance in this treaty, and particularly the fact, implicit in the Protocol and expressly confirmed by Massigli to Forster [*sic*],⁵ that it is directed against Germany. Simon spoke only briefly, but in a manner which showed clearly that he was not very happy about the Treaty.

He then returned to the subject of the Führer's forthcoming pronouncement and stressed once more that he hoped for a positive statement of the German position. He said that the chances of an Air Pact, which some of the prospective participants would only conclude if other pending problems could be settled at the same time, would be considerably improved if Germany made positive proposals on these other problems. In this connection he referred to MacDonald's familiar remark in his speech to the Commons of May 2⁶ that the British Government hoped that Germany would herself take immediate steps to further the realization of the Reich Chancellor's intentions in relation to an Eastern Pact (see penultimate paragraph of my telegram No. 113).⁷ He thought that the Chancellor had declared that he was prepared to participate in a multilateral Eastern Pact, admittedly without [mutual] assistance obligations, but with non-aggression and consultation undertakings and an obligation to refrain from support of an aggressor; and (at the time of Stresa) he was also prepared concurrently to tolerate bilateral mutual assistance treaties. Now we were confronted with one such mutual assistance treaty in the shape of the Franco-Russian Alliance which we had criticized so severely. The Reich Chancellor would make a valuable contribution to a general solution if in his pronouncement he came forward with a plan for the conclusion of an Eastern Pact on the lines already adumbrated. A further valuable contribution would be some kind of positive attitude towards the problems to be discussed at the forthcoming conference in Rome.⁸

I again emphasized how much it would be to ask of Germany if one were to expect the Reich Government, precisely after the conclusion of a Franco-Russian Alliance, to take the initiative in the Eastern Pact question, particularly since it was only after overcoming grave misgivings that they had reconciled themselves to the Eastern Pact plan at all, even in its present limited form.

HOESCH

⁵ In telegram No. 482 of May 6 (6695/H102818-20), a copy of which was forwarded to London on May 7 (6695/H102821), Köster reported a conversation he had had with Massigli in this sense.

⁶ See document No. 66, footnote 6.

⁷ Document No. 66.

⁸ See document No. 33, footnote 8.

No. 83

8025/E577736-37

Memorandum by an Official of Department II

BERLIN, May 10, 1935.

II M 1149.

The enquiries, which I made as instructed,¹ about the delivery of arms to Ethiopia have established the following:

The Reichswehr Ministry (Ordnance Office [*Waffenamt*]) have imposed no restrictions on the export abroad of certain war material of minor interest. More important weapons, such as artillery and machine guns, on the other hand, cannot go to foreign countries without the knowledge and consent of the Ordnance Office. Such weapons have certainly not been supplied to Abyssinia. Whether less important war material, such as articles of equipment, has been supplied to Abyssinia by German firms is not known to the Ordnance Office. In particular, it is possible that hand-grenades have been supplied, since a small firm in Westphalia has recently made an enquiry about this. Should political considerations so require, the Ordnance Office is in a position to ensure, by secret instructions to the firms in question, that such weapons and war material as are not subject to export restrictions are not supplied to Abyssinia either.

Enquiries at the Reich Air Ministry have shown that it is certain that no aircraft have recently been delivered from Germany to Egypt. The Reich Federation of Aircraft Industry, to which all aircraft factories belong, has strict instructions not to undertake and execute such deliveries. Naturally, it is not possible to check whether German aircraft are not reaching Abyssinia in a roundabout fashion via foreign countries without the assistance of German industry.

The recent reports that German engineers and aircraft constructors have travelled to Ethiopia in order to manufacture aircraft there have been officially denied as incorrect.² The Reich Air Ministry requested the Reich Ministry of the Interior only recently³ to stop issuing passports to Abyssinia for aircraft engineers and the like.

FROHWEIN

¹ The files of Department II on the delivery of weapons to non-European States for the period January to November, 1935, are not held and these instructions have not been found. The Italian Ambassador had raised the question of alleged German activities in Abyssinia in a conversation with Bülow on Apr. 3 (8025/E577722-23). See also footnotes 2 and 3 below, and vol. III of this Series, documents Nos. 557 and 558.

² A *démenti* of reports that twenty-five engineers of the German firm of Siemens had left for Abyssinia was issued in DNB bulletin No. 535 of Apr. 5 (8025/E577726; 733).

³ As appears from a marginal note on telegram No. 19 of Apr. 6 from Addis Ababa (8025/E577734), in which the German Minister reported on the activities of a German national in the employ of the Abyssinian Government, the matter was discussed with the Reich Air Ministry, who then sent the Foreign Ministry a copy (M219/M007125-27) of a communication of May 2 to the Ministry of the Interior containing the request referred to in the document here printed.

No. 84

8682/E607371-72

*The Minister in Austria to the Führer and Chancellor*¹

TOP SECRET

VIENNA, May 10, 1935.
II R 1185.

Subject: Austrian Rearmament.

As I have learned from reliable quarters in the Federal Army, a law dealing with the rearming of the Austrian Army has been drawn up and is to be announced on June 1. It provides for the conversion of Brigades 1-6 into Divisions. A new seventh division, with Command Headquarters in Klagenfurt, is to be set up for Carinthia and East Tyrol. Similarly an eighth division, with, for the time being, only one motorized rifle brigade and one motorized cavalry brigade, is to be set up for Salzburg.

The strengths of the old brigades are in the meantime not to be increased, or, if they are, this will be done only slowly as means become available. The Heimwehr is to be reorganized as a "Home Guard [Landwehr]" into a sort of active-service regiment—on the Italian model. Mussolini is said to have promised Starhemberg six million Schillings for this latter purpose.

The suggestion for the rearmament law is said to have come from Mussolini, who, in view of the negative attitude of the Little Entente, wished thus to create a *fait accompli* before the negotiations on the Danubian Pact took place.

At the same time I have learned of a very secret meeting at which a big parade of the Heimwehr was planned for June 2. It is said that Starhemberg, under the impact of the rearmament law and of the incorporation of the Heimwehr into the Army, is going to have himself proclaimed Regent on the same date. Also that Mussolini, having perceived that the Danubian Pact which he had been planning would contain neither obligations to render assistance nor, probably, any non-intervention clause of any value, determined to secure Austria's position *vis-à-vis* Germany by these means.

It remains doubtful how far Federal Chancellor Schuschnigg will agree to this plan, which is said to envisage him as Foreign Minister, while Fey wishes to become Federal Chancellor. It seems to me that Schuschnigg and his followers will not support this absolute dictatorship of the Heimwehr, but that they will bow before a *fait accompli* and the use of force.

¹ Marginal note: "Received from Herr v. Papen, who has submitted the original direct to the Führer and Chancellor. A[ltenburg], May 14." No record of a conversation between Papen and Hitler on this occasion has been found.

In the absence of the Military Attaché, I request that this report be also communicated to the Reichswehr Ministry.²

PAPEN³

² A copy of the document here printed was sent to the Reichswehr Ministry on May 14 (8682/E607373).

³ Marginal notes: (i) "The Missions have been informed by II Oe. or II It. May I have a copy of the despatch for II R. F[rohwein], May 16." (ii) "[This was] II It. 788/35 [document No. 87] Ang. V and VI [not printed, 7826/E567934-39]."

No. 85

6111/E453017-19

SS-Gruppenführer Rodenbücher to Counsellor of Legation Altenburg

CONFIDENTIAL

BERLIN W. 35, May 10, 1935.

No. I/10280

II Oe. 1217.

DEAR COUNSELLOR OF LEGATION: I am enclosing for your information a copy of the Deputy Führer's directive which I have communicated, in accordance with instructions, to all former political leaders of the disbanded Landesleitung and Gauleitungen of the NSDAP in Austria.

Heil Hitler!

RODENBÜCHER
SS-Gruppenführer

[Enclosure]

MUNICH, Braunes Haus, April 26, 1935.

National Socialist German Workers' Party

Berlin-Wilhelmstrasse 64

The Führer's Deputy

82/35

STRICTLY CONFIDENTIAL

TO ALL FORMER POLITICAL LEADERS OF THE DISBANDED LANDES-
LEITUNG AND GAULEITUNGEN OF THE AUSTRIAN NSDAP.

(Not for publication.)

In recent weeks various quarters have repeatedly addressed the same requests and applications to the Führer and myself. I hereby inform you of the Führer's final decisions on these matters:

I

The former Austrian Party organization has been proscribed by the Austrian Government.¹ The continuance, by illegal means, existence of the Party in Austria would only entail fresh and heavy sacrifices, which would from the outset prove to be senseless and purposeless. Furthermore, encouragement of, or participation in,

¹ By a decree dated June 19, 1933.

underground activities or actions in Austria by Reich Germans or Austrians living in Germany would only result in the creation of difficulties for the National Socialist Government of the German Reich.

For this reason the Führer has ordered the disbandment of all offices of the Austrian NSDAP in Germany² and for the same reason has strictly forbidden former political leaders of the Austrian Party organization now residing in Germany, SA leaders, etc., to continue to intervene in Austrian affairs, to maintain political ties with Austria or in any way to take an active part in matters which concern Austrian politics.

The Führer has recently again expressly refused to allow former political leaders to participate in Austrian affairs.

II

The request that the administration of the Relief Agency for Refugees and Dependents be entrusted to a former Austrian political leader, or at least to some of the former political leaders who were prominent in the administration, cannot in the circumstances be met either.³

III

For the same reasons participation in propaganda directed at Austria and in the negotiation of economic questions pending between Germany and Austria is out of the question.

IV

On the other hand, not only would there be no objection to former Austrian political leaders now in Germany being employed in the Labour Front,⁴ in industry and the like, but it would be welcome if these former Austrian political leaders were to engage in such fresh spheres of activity.

As I realize that inactivity at this time must entail a serious psychological strain, I would gladly be prepared to assist individual persons to obtain suitable posts.

Certified correct:

M. BORMANN

R. HESS

² See vol. III of this Series, documents Nos. 149, 165, 173, 208, 337, 362 and 435.

³ See *ibid.*, document No. 398.

⁴ See also *ibid.*, documents Nos. 135, 424, 435, 510 and 522.

No. 86

5552/E394608-11

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, May 13, 1935.

IV Po. 3158.

DEAR HERR MEYER: Yesterday I accepted an invitation from Gauleiter Forster to afternoon coffee; apart from myself there were also some Government and Party representatives and their ladies present. I was happy to have this opportunity of seeing the Gauleiter again for the first time in several weeks and of hearing his views *after* the elections.¹ These have greatly troubled me and have occasioned my sending you enclosed with this letter a memorandum which I would request you to submit to higher authority. This is the last possible moment for preventing great damage by means of a clear reorientation in the sphere of internal policy.

Unfortunately, the presence of several other persons made it impossible for me to inform the Gauleiter personally of my views; however, in the present state of affairs I consider this would be pointless, since he is more than ever convinced of the rightness of his measures and of his attitude.

With cordial greetings and Heil Hitler!

Yours etc.,

RADOWITZ

[Enclosure]

STRICTLY CONFIDENTIAL

May 13, 1935.

MEMORANDUM

According to the Gauleiter's remarks at a small party at which I was present, and according to his big speech, which he held in the Messehalle [Fair Hall] here on May 12, 1935, before an audience of about 5,000 Party members of which I was one, he has drawn up the following programme for the conduct of internal policy in the immediate future:

Since the elections had failed to produce the expected results, we must now strive with all our power to smash the parties. A wave of propaganda of tremendous size would once again flow from the Party through the Free City of Danzig. Everything must be brought to serve this single idea. Once again prominent leaders of the Movement within the Reich had offered their support for this action; amongst others Reich Minister Goebbels had already promised his personal cooperation.

The Opposition parties still existing in Danzig, who were good for

¹ See document No. 80, footnote 3.

nothing but criticizing and complaining to the Commissioner of the League of Nations, were making it impossible for the Government to work steadily and purposefully, and consequently they must be crushed.

I consider this intention of the Gauleiter's to be the most dangerous thing that could possibly happen in Danzig at the present moment. The Opposition parties, who without question have gained considerably in strength as a result of the election campaign, which to my mind has been conducted in a way which is psychologically completely wrong for the conditions *here in Danzig*, cannot by any means be destroyed by the method envisaged; on the contrary, it is quite certain that they will become even stronger as a result of the continuation of the methods used during the election campaign, that they will acquire yet more adherents and that, in the event of their forcing fresh elections, such elections would show results which would be dangerous for Danzig and which would seriously detract from the reputation of the Movement as a whole in the eyes of the world. As I have already reported on an earlier occasion,² a crisis of confidence has arisen among wide circles of the population—including that section which is in the main favourably disposed towards the National Socialist Movement—which is by no means due to the devaluation of the Gulden³ alone, but rather stems from the many incidents which have occurred over the past eighteen months and above all from the tactics employed during the elections. It readily follows that those who, for the above reasons, voted against the National Socialist Party at the elections, will certainly not be converted to a different opinion by a continuation, in a more drastic form, of the methods to which they object.

It follows that the crisis of confidence will not be allayed in this way; to my mind it will merely be aggravated. At present, internal policy should be solely designed to win back that section of the population which undoubtedly supports the Führer and the Movement and which at the recent elections *merely voted against the local leaders*. This applies particularly in the event of fresh elections with all the dangers that these would entail. I must point out with all emphasis that this cannot be attained by the methods which have already been clearly rejected by that section of the population for whose adherence we are competing. Only a complete reversal of policy and a clear, psychological *appeal*, taking into account the conditions obtaining in Danzig and the many incidents here which have been badly received, can achieve this aim. I am convinced that it is not yet too late to avoid the disaster which threatens.

I am impelled to make these observations by a feeling of deep

² In report I G 565 of May 10 (9082/E637974-82).

³ See document No. 65, footnote 1.

anxiety for the immediate future of Danzig, and must, of course, for reasons of discipline, refrain from stating my views on the measures to be taken.

R[ADOWITZ]

No. 87

7826/E567924-28

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 106 of May 13

ROME, May 14, 1935—12:50 a.m.

Received May 14—6:10 a.m.

II It. 788.

Mussolini received me this afternoon for a lengthy talk. Suvich was not present. I gave as the reason for my visit my forthcoming journey to Berlin, saying I would like to take with me a clear picture of Italian policy. Instead of wasting time and nervous energy in mutual press recriminations and their discussion, it was better to talk quietly about current political affairs. This was the first occasion for a long time that Mussolini refrained from reproaching the German press; he thought that we ought soon to conclude a mutual press truce and then emphasized that for Italy the sensitive point at the moment was Abyssinia. Italy would remember precisely what attitude the individual countries had taken towards her in this question, whether friendly, neutral or hostile. When I asked him whom he had in mind, he replied, "our rivals", to which I rejoined that we ourselves were not at present a colonial Power and for this reason were at even greater pains to observe the strictest neutrality. Mussolini then discussed in great detail the question of arms deliveries. When I pointed out that Germany was always the first country to be mentioned in this connection, although we were hardly seriously involved, he replied that I was right. Czechoslovakia was the main source, a fact which Beneš had honestly admitted, adding that further deliveries would be stopped. Mussolini also mentioned Belgium and Switzerland, alluded to France and in respect of Germany added that he did not believe that she was delivering aircraft; apart from this he had information about a Jew in Hamburg named Spiro, who was acting as an intermediary in arms deliveries, and also about the activities of Major Steffen¹ in Addis Ababa. I asked him what he thought of the proceedings in Geneva, to which he replied rather excitedly and emphatically that the gentlemen should take very good care what they did there. He repeated this twice, adding that Britain, in particular, had good reason to avoid another crisis in the League of

¹ See also vol. III of this Series, documents Nos. 557 and 558.

Nations, which indeed might easily occur. Mussolini's whole manner confirmed the assumption, which is also supported by information received from within the British Embassy, that, in view of the League of Nations session, the British and French are exerting pressure on Italy in the Abyssinian question. Mussolini concluded the conversation on this subject by saying that the Italian position in East Africa was so precarious that it could not remain as it was.

Mussolini then came to speak of the Danubian Conference. When I referred to the Franco-Russian Pact he said that this should not be over-estimated. The Bolsheviks were of course still a danger to Europe and the lack of unity between European States was grist to their mill, as could be seen from Radek's latest speeches. He wished to bring about the Danubian Pact as an instrument of peace and he most earnestly desired Germany's participation. When I referred to rumours of a military air agreement between France, Italy and Austria, he stated that this information was completely false. At present only a Franco-Italian civil aviation agreement was being concluded. In addition, he had authorized technical experts to conduct preliminary discussions with France in case the familiar project for an air pact, which had been announced in London² and had been favourably received by us and confirmed at Stresa,³ should come into being. As was well known, this project provided not only for the existence of a general air pact but also for bilateral air pacts, except between Britain and Italy. The idea that Austria would be included in these pacts was quite unfounded. As far as the Danubian Conference itself was concerned Mussolini confirmed my previous reports.⁴ Its subject was to be non-intervention and non-aggression pacts, whereas *assistance mutuelle* would be left to the discretion of the members to decide among themselves. I asked about the question of consultation, whereupon he explicitly stated that the Franco-Italian Consultative Pact⁵ would lapse as soon as the Danubian Pact came into being. The idea of bilateral consultation (cf. your cipher letter No. II It. 762 of May 11)⁶ seemed to be completely unfamiliar to him. There was only the question of consultation for the general purpose of deciding as to whether there was a case of non-intervention or intervention.

Hungary had been very forthcoming in Venice,⁷ almost too much so. He would therefore fully support Hungary's claims, namely, a promise in principle, before the conclusion of the Pact and before the

² In the Joint Anglo-French Declaration of Feb. 3, 1935; see document No. 46, footnote 3.

³ British, French and Italian statesmen conferred at Stresa, Apr. 11-14; for the text of the communiqué issued on Apr. 14, see *B.F.S.P.*, vol. 139, pp. 756-758.

⁴ See document No. 81.

⁵ See vol. III of this Series, documents Nos. 518 and 520.

⁶ Not printed (7826/E567917-21).

⁷ The Foreign Ministers of Austria, Hungary and Italy met in Venice, May 4-6, 1935.

conclusion of negotiations about details, to grant her equal rights within a definite period (six months) on the basis of an army of 100,000 men, and further, the right to peaceful revision and protection of the rights of minorities. Austria regarded the rearmament question from a somewhat different point of view because she attached importance, for the time being, mainly to setting up her own organization and especially the cadres. (Evidently she is in close contact about this with Italy, for which purpose the Military Attaché was also present in Florence.)⁸ Where the difficulties between the Little Entente and Hungary were concerned, Mussolini said he hoped the conversation between Jevtić and Suvich would lead to considerable progress, as Yugoslavia was at the moment the most reasonable of the three allies and was the least afraid of Hungary. In the Habsburg question, the Little Entente remained inflexible for fear of psychological repercussions on its own States; incidentally, a Habsburg restoration would not greatly please Italy either. He believed the Austrians would resign themselves to the fact (this appears to me to be a result of Florence) that the Habsburg question was not considered to be an internal matter; they would, rightly, be satisfied with the restoration of a monarchy, even though not of the Habsburgs, and would perhaps, to begin with, introduce a regency *à la* Horthy. I remarked that this obviously implied a restriction of Austrian independence, whereas the aim was to achieve Austrian independence in all respects. He admitted this but said that at present political expediency must be allowed for; like the restoration of the Habsburgs, a National Socialist régime was inopportune in Austria at present.

I then asked about the definition of non-intervention. Mussolini stated that this was indeed the main difficulty, but he hoped that agreement would be possible after all; he would keep Germany informed of the further course of the talks, as Cerruti had promised State Secretary von Bülow, and he attached the greatest value to Germany's cooperation; he in no way wished to present us with a *fait accompli*, and would only convene the Conference after having perfected its groundwork. He was looking forward to the Führer's speech⁹ with the greatest interest. His object was to bring about the Danubian Pact, not only for the sake of general peace, but above all in order to restore relations of mutual trust between Germany and Italy. Austria was the only sensitive point between the two countries. If this could be removed by means of the Danubian Pact, then the path would be clear for cooperation as heretofore.

HASELL

⁸ Presumably on the occasion of the meeting between Schuschnigg and Mussolini on May 11, 1935.

⁹ To the Reichstag on May 21, 1935; see Editors' Note, p. 171.

No. 88

6695/H103047-54

The Ambassador in Poland to the Foreign Ministry

No. 816

WARSAW, May 14, 1935.

Received May 18.

IV Ru. 1966.

POLITICAL REPORT

Subject: Visit to Warsaw by Foreign Minister Laval.

I. The development of Polish-French relations since Barthou's visit:¹ Improvement in relations not maintained. The Eastern Pact the central issue in disagreements. Suspicions aroused by Soviet Pact.

II. Public appearances: Reception friendly, to some extent more cordial than that accorded Barthou.

III. Results of negotiations: Phrase in the communiqué, that world peace will be organized, is not based on any concrete plan. Laval provides reassuring explanation of French policy towards Russia; Beck again rejects a collective system embracing obligations of mutual aid, but states, as on occasion of Eden's visit,² that, under certain conditions, Poland is prepared to cooperate in a collective system not including mutual aid obligations.

IV. The conversations have not introduced any change into Poland's relations with Germany.

I

The improvement in Franco-Polish relations achieved last spring in consequence of Barthou's visit, and its being made the occasion of publicly recognizing Poland as a Great Power, has been of short duration. Even then, Barthou raised the question of an Eastern multilateral security system, but this project was categorically turned down by Marshal Pilsudski who described it as a dangerous experiment. Since, despite this warning, Barthou continued to pursue his plan for an Eastern Pact, this subject started some extremely acute disagreements which, in the course of the past year, have led to fresh tension in Franco-Polish relations. In this unfriendly atmosphere minor matters—such as, for instance, the expulsions of Polish workers from France³ and the legal proceedings taken in respect

¹ Barthou visited Warsaw Apr. 22-24, 1934; see also vol. II of this Series, documents Nos. 413, footnote 2, and 465, and vol. III of this Series, document No. 77.

² See documents Nos. 8 and 11.

³ Following the increase in unemployment in France, measures had been taken to restrict foreign labour, which had included the withdrawal of permits from a number of Polish labourers (see the *Manchester Guardian* of Aug. 10, 1934, and *Le Temps* of Nov. 21, 1934).

of irregularities in various French firms in Poland⁴—assumed a disproportionately serious character which in turn further aggravated the situation. The ensuing tension, which at times almost appeared liable to jeopardize the Polish-French Alliance,⁵ caused the French Foreign Minister to consider a further French visit to Warsaw with the object not only of removing existing differences but, over and beyond, inducing Poland actively to cooperate in the plan of a general security system directed against Germany. Laval was further encouraged in these hopes by the fact that a certain amount of disquiet had been aroused here in consequence of the reintroduction of universal military service in Germany and that Poland, on her side, had latterly seemed not disinclined to draw closer to France again. This improved atmosphere, which will certainly not have been without its effect on the attitude adopted by Poland at Geneva,⁶ has meantime given place to a fresh bout of irritation. The reason is the Franco-Soviet Pact, which has been received here with great suspicion and has led to demands for a complete explanation of French policy towards Russia. So much so, that finally a visit from Laval became welcome to the Poles as well. But when M. Laval first had soundings made here about a visit by him, the idea of his, so to speak, just detouring in Warsaw on his way to Moscow was at first far from warmly received. It required the French Ambassador here to refer plainly to the fact that France and Poland were allies in order finally to extract an invitation from the Polish Government.

II

During the day and a half of his visit (from the evening of the 10th to the morning of the 12th of May), Laval was given a very friendly reception in Warsaw, in several respects a more cordial one than that previously given to Barthou. Certain lapses from the customary forms—such as failure to accord him a suitable reception at the frontier, the omission of a diplomatic reception and of an exchange of speeches—may be due to his call at Warsaw on his way to Moscow being less in the nature of a ceremonial visit than of one undertaken for practical purposes. But, on the other hand, whereas Barthou's

⁴ Disputes had arisen in particular with the French-owned Zyrardow (Girard) textile mills near Warsaw and the Warsaw electricity company, culminating in the arrest of two French directors of the Zyrardow concern (see *The Times* of Aug. 15, 1934).

⁵ For the text of the Political Agreement between France and Poland, signed at Paris, Feb. 19, 1921, see League of Nations: *Treaty Series*, vol. xviii, pp. 11–13; this Agreement was supplemented by a secret Franco-Polish military agreement, signed on Feb. 21, 1921; for a summary of the terms and subsequent adjustments see Général Gamelin: *Servir* (Paris, 1946), vol. II, pp. 466–467; see also *Polskie Siły Zbrojne W Drugiej Wojnie Światowej* (Polish Armed Forces in the Second World War) published by the General Sikorski Historical Institute in London, 1951, vol. I, Pt. I, pp. 87–88. For the text of the Treaty of Mutual Guarantee between France and Poland, done at Locarno, Oct. 16, 1925, see League of Nations: *Treaty Series*, vol. LIV, pp. 353–357.

⁶ See Editors' Note, p. 65 and documents Nos. 41, 49 and 75.

visit began with a slight, inasmuch as the Polish Foreign Minister did not feel called upon to go to the railway station to welcome a statesman thirty years his senior and the representative of an allied nation, this time M. Beck appeared in person to receive Laval. By contrast, it was striking how small was the attendance and how passive the part played by the people of Warsaw. Even if the more stringent cordoning-off measures (applied by reason of rumours of an assassination attempt) may have made it more difficult to stage public demonstrations, yet it could be noted that there was lacking even a modest attempt to demonstrate, in contrast to the enthusiastic ovations accorded by the National Democrats⁷ to M. Barthou in his day.

The social occasions took the usual form. On the first evening Foreign Minister Beck gave a dinner followed by a reception attended by the whole Cabinet. Next day Laval lunched with the President of the State.⁸ That evening there was a dinner at the French Embassy at which the two Foreign Ministers gave brief addresses for the Paris radio (of which the texts are attached as Enclosures I and II),⁹ making only some very general observations about the substance of the Polish conversations. An intended reception by Marshal Pilsudski had to be cancelled at the last moment owing to the Marshal's serious illness. The Diplomatic Corps were not afforded an opportunity of meeting Laval, who confined himself to receiving the British, Italian and Soviet Russian Ambassadors for short talks. Laval did not get in touch with the Polish press, in complete contrast to Barthou's extreme readiness to supply information on the occasion of his visit here.

III

An official communiqué has been published about the political discussions (attached as Enclosure III).¹⁰ It says that the efforts of the two Ministers are directed towards the common objective of maintaining peace and the security of Europe by organizing broadly-based international cooperation open to all. This wording could be taken as indicating that the Poles have complied to a surprisingly large extent with French wishes in respect of the creation of the collective system. The Havas communiqué issued that same evening (also attached as Enclosure IV),¹¹ and composed by Laval himself, is much more reserved on this point and is confined to the statement that Poland is not rejecting in advance the plan for a collective pact. The radio addresses by the two Ministers may perhaps also be ad-

⁷ A Polish political party, under the leadership of Roman Dmowski, which supported the French alliance and was opposed to a pro-German policy.

⁸ Ignacy Mościcki.

⁹ Not printed (6695/H103055-58).

¹⁰ Not printed (6695/H103059-61).

¹¹ Not found filed with the document here printed.

duced as providing a certain corrective to the communiqué, in so far as M. Laval does indeed describe the object of their collaboration as being "the organization of peace in Europe", but M. Beck in the same context speaks only of "the maintenance of general peace". My available information on the course of the conversations, already reported elsewhere,¹² in fact justifies the assumption that the communiqué is to be construed in a narrow sense and that the optimistic terms it employs were chosen with a view to their impression on Moscow, a matter also of consequence to the Poles.

My information presents the following picture :

Foreign Minister Beck placed the scope of the Franco-Soviet Pact in the forefront of the conversations. The French Foreign Minister stated that the Pact affected neither the Franco-Polish Alliance nor Poland's treaties with Germany or the Soviet Union¹³ and that it would entail no further obligations for Poland whatever. There could be no question of a passage of troops through Poland against her will. On the contrary, a decision on this subject would rest solely with Poland. Laval further appears to have given assurances that for France her alliance with Poland naturally takes priority and that there is no thought of developing the Pact with the Soviet Union into a closer alliance. Laval is also said to have promised to take into account the Polish claim to be the leading Power amongst the Baltic States.

As far as I am able to ascertain, these statements of Laval's have sufficed to dispel Polish alarm.

Only thus were the foundations laid to enable Laval to make another attempt to win Poland for a collective system such as is indicated in Article 3 of the Protocol attached to the Franco-Russian Pact. Whether he really had hopes of succeeding in this matter or whether his assault was intended as a tactical manoeuvre may be left a moot point. But it appears to be quite definite that M. Beck held firm this time, too, and categorically refused to take any part in a system based on mutual aid. From the Polish point of view, to have finally and clearly established this point is regarded as one of the most important results of the conversations.

M. Beck did go so far to meet the French as to state that, under certain reservations, he was prepared to join a collective agreement provided that no mutual aid obligations were bound up with it and provided that Poland's treaties with Germany and with the Soviet Union were neither directly nor indirectly affected. These will be the same terms that M. Beck has already used previously in speaking to Mr. Eden. And if it is the case that on that occasion Beck answered Yes when asked by Eden whether Poland would still be prepared to

¹² In telegram No. 27 of May 12 (6695/H102963-65).

¹³ See document No. 11, footnotes 2 and 3.

join such a pact if some of the signatories had made special agreements amongst themselves, with Laval M. Beck apparently proceeded from the assumption that, in this respect, he was basically in agreement with ourselves since the German Stresa declaration.¹⁴ At all events, as I am informed, the Stresa declaration played a large part in Beck's negotiations with Laval. There were no concrete proposals but Laval spoke of sending proposals.

The inviolability of the Polish-French Alliance, which also emerged clearly over the Polish vote in Geneva, was taken as the most self-evident principle in the negotiations. But the Poles claim it as a special success that they managed to remove French misgivings not only in respect of the German-Polish Agreement but also generally over Polish policy towards Germany. As I am informed, it has even been agreed that, in further negotiation over a non-aggression and consultative pact, Poland is to be allotted the rôle of intermediary with Germany. M. Beck apparently intended to give me further details in a conversation which had been appointed for the day after Laval's departure but which subsequently could not take place owing to the death of the Marshal.¹⁵

The Danubian Pact was also made a subject of the conversations. M. Beck stated that Poland was in principle prepared to cooperate in this pact on the same lines as Hungary. But a condition of Polish cooperation was, here too, that all "*assistance mutuelle*" be dropped.¹⁶

IV

It can be stated that the most important result of the Laval visit for both parties is that Franco-Polish differences, particularly in so far as they concern the Franco-Soviet pact, have been substantially removed, thereby achieving an improvement in the unfriendly atmosphere which was affecting the Polish-French Alliance. Further, Poland can reckon as a success that she has won fresh recognition for her legitimate special interests and thus for the independence of her policy based upon these interests. Laval has once again been compelled to recognize that he can only expect Polish cooperation in so far as it does not run counter to the German-Polish understanding. This is undoubtedly what M. Beck was thinking of when he told me yesterday that Polish policy had not been changed by Laval's visit.

MOLTKE

¹⁴ See document No. 29.

¹⁵ Marshal Pilsudski died on May 12.

¹⁶ See also Szembek: *Journal*, pp. 70-78.

No. 89

8911/E622019-21

The Minister in Czechoslovakia to the Foreign Ministry

A III 1 allg.

PRAGUE, May 15, 1935.

Received May 18.

II Ts. 945.

Subject: Conversation with Beneš.

As I have reported,¹ Minister Beneš had promised to see me for a conversation "after the Easter holidays", on a day he himself would fix. But the appointment was delayed, at first quite obviously through the ill-feeling caused by the Eisenstein incident.² Unfortunately, it is the case that every such incident, whether, ultimately, right is on our side or not, does greater moral harm to us here than the *émigré* who gets caught ever could have done. Since the election campaign³ subsequently took up more and more of Beneš' time, I myself pressed for a conversation, which was granted to me today after I had gone to some pains.

Beneš said that he was anxious to tell me something of the Russo-Czechoslovakian Treaty⁴ before he signed it. He regarded this treaty only as a preliminary to the Eastern Pact which was to include Germany and Poland and which was bound to come. For many years it had been a serious mistake of West European policy to leave Russia to some extent out in the cold instead of bringing her into European politics. Germany had in this respect followed a better course over the Rapallo Treaty. But in those days he had preached to deaf ears in the Western States as well as in his own country. As long as he remained Foreign Minister he would always pursue a West European policy only; never would he allow his country to become a vassal of Russia. He and Masaryk continued, as they had always done, strongly to oppose the foolish dreams of Kramář.⁵ Care had therefore been taken to see that the Treaty would entail no obligations for

¹ No such report has been found.

² Josef Lampersberger, a former member of the German Social Democratic organization, the Reichsbanner, who had been a refugee in Czechoslovakia since 1933, had been arrested on Apr. 27 by the German police at the frontier railway station of Eisenstein. On May 11 a Czechoslovak *Note Verbale*, protesting against the arrest as an infringement of territorial sovereignty and requesting the return of Lampersberger and disciplinary action against the official responsible, was handed to Bülow. In the German Note of May 24 in reply, it was agreed that German officials had inadvertently crossed the frontier during their struggle with Lampersberger and that the latter should be released. In a further German Note of July 16, it was stated that the gendarme concerned had been transferred to another post. The relevant documents are filmed on Serial M238.

³ Elections for the Chamber of Deputies were to be held on May 19.

⁴ The Czechoslovak-Soviet Pact of Mutual Assistance was signed at Prague on May 16, 1935; for the text see League of Nations: *Treaty Series*, vol. CLIX, pp. 347-361.

⁵ Dr. Karel Kramář, leader of the Czechoslovak National Democratic Party; first Minister President of Czechoslovakia; in 1919 he attended the Paris Peace Conference as Czechoslovak delegate with Dr. Beneš.

Czechoslovakia in the event of a Russo-Polish conflict. (This last remark, which he obviously made to me deliberately as an aside, he made with much more emphasis to my Austrian and Dutch colleagues.) In reply to an interjection by me about Russian troops marching through Rumania and Russian aircraft flying over Rumania, he said with great emphasis that he could assure me, and would ask me to inform my Government, that he had not exchanged a single word in writing or orally with either of these two States about this question.

He said that if there were a certain amount of tension between Germany and Czechoslovakia, this was solely due to the general international situation and not to any disagreement between the two countries. Should an understanding be reached between France and Germany—and he would stress again and again that Laval was prepared to arrive at one—it would automatically have repercussions on his country.

He was not yet clear as to what the Rome conference⁶ would produce; it depended in the first place on the Italian proposals, which were not yet known. He was in favour of the conference for two reasons: Firstly, because he hoped it would bring about a reconciliation between Italy and Yugoslavia, and secondly, because of maintaining Austria's independence. He knew very well, of course, that Czechoslovakia could not by herself maintain Austria's independence. He himself was more in favour of a multilateral pact, but he had the impression that Mussolini wanted to split the matter up into a number of bilateral treaties. When recently discussing the possible groupings that might emerge from the treaties, he had been asked by the Italians whether he could conceive of Czechoslovakia fighting on Germany's side. He had at once replied in the affirmative⁷ and had reminded them that Czech troops had marched at the head of the German armies which captured Rome and Milan.

It was obvious that, quite contrary to his attitude in the years before the Third Reich, Beneš was anxiously trying not to voice one word of criticism against Germany and to represent his rôle in international negotiations as modestly as possible. Even if the dislike of Germany has not changed, the fear of, or rather the respect for, Germany has grown tremendously.

DR. KOCH

⁶ i.e., the projected Danubian Conference; see document No. 33, footnote 8.

⁷ Marginal note in Neurath's handwriting: "?"

No. 90

2945/575995-96

Memorandum by the Foreign Minister

BERLIN, May 16, 1935.

RM 412.

The Polish Ambassador today told me the following about the conversations between MM. Laval and Beck:¹

M. Laval began by telling the Poles that the Polish-French Alliance was not affected by the Franco-Soviet Pact. He assured them that no further agreements of a military nature had been entered into between France and Russia.

With reference to the future development of the idea of a regional pact, Laval stuck to the line which we had indicated as practicable, namely, non-aggression pact, consultation, non-support of the aggressor. He asked for Beck's views on this. The latter replied that he continued to dislike such pacts. However, at the present stage he would in principle neither promise nor withhold his participation. Poland's attitude would depend on what the pact which Laval was advocating would eventually look like. In any case, however, Poland much wished to have it made quite clear what States were to participate before considering the possibility of herself acceding. Beck's impression of Laval's plans was that he would abide by the idea of a Paris-Berlin-Warsaw-Moscow pact but was less interested in getting France's other allies to participate. How far M. Laval's ideas might have been changed in the one or other direction by his visit to Moscow,² the Polish Government did not yet know. M. Beck had made it clear to M. Laval that, should a further pact come about, it must not be allowed to affect the agreements between Poland and Germany³ and Poland and Russia⁴ in any way.

v. N[EURATH]

¹ See also document No. 88.

² Laval visited Moscow May 13-15. Schulenburg reported on the visit in telegram No. 81 of May 15 (6695/H103001) and despatch A 1140 of May 17 (6695/H103105-12).

³ For the Polish-German Declaration of Jan. 26, 1934, see vol. II of this Series, document No. 219.

⁴ See document No. 11, footnote 2.

No. 91

9612/E678461-64

Memorandum by the Deputy Director of Department II

BERLIN, May 16, 1935.

II Balk. 1169.

From information supplied by telephone on various occasions by Ministerialrat Gritzbach of the Prussian Ministry of State, the follow-

ing is known about the impending journey of the Prussian Minister President, Göring.¹

I

The persons going on the journey are: Minister President Göring and his wife, Reich Minister Kerrl and his wife, State Secretary Körner, State Secretary Milch, Prince Philip of Hesse, a Swedish relative of the Minister President, Ministerialrat Gritzbach and Major Conrad.

II

Itinerary

- May 24 Departure by air from Berlin and arrival in Budapest.
- May 25 Journey continued to Belgrade.
- May 26 Departure by road from Belgrade to Ragusa.
- June 2 Arrival by road in Üsküb and journey continued by air from there at 4:30 p.m. for Athens, where the plane is due at 7 p.m.
- June 6 Departure by air from Athens at 9 a.m. for Sofia, plane due there at 12 noon.
- June 7 Departure by air from Sofia for Budapest.
- June 8 Departure by air from Budapest for Berlin.

III

Preparations for the journey

As regards Budapest, Minister von Mackensen has already drawn up a programme at the request of Ministerialrat Gritzbach. Budapest telegram No. 44 of May 15² refers to this. According to this telegram, it is proposed that the Regent, Horthy, and Minister President Gömbös should receive the Minister President on the afternoon of May 24.³ During this time Frau Göring and the rest of the company are to be entertained to tea by Madame Horthy and Madame Gömbös. Minister President Gömbös, who has another engagement on the evening of May 24, will place his box in the Opera House at their disposal. Furthermore, the Minister has invited them to a luncheon at the Legation.

In preparation for the visit to Belgrade, Minister President Göring has caused Oberingenieur Neuhausen, the Landesorganisationsleiter of the NSDAP, to come to Berlin from Belgrade, has discussed all the details with him and has commissioned him to make all necessary

¹ Little material has been found on the background of this tour, which took place not long after Göring's marriage to Frau Emmy Sonnemann on Apr. 10, and was described in the official releases as a holiday trip.

² Not printed (9612/E678442).

³ No record of this conversation has been found, but see document No. 146.

arrangements in Belgrade together with Minister von Heeren. Moreover, Ministerialrat Gritzbach has informed Minister von Heeren in writing and by telephone.

With regard to his stay at Belgrade, Minister President Göring has expressed the following wishes: He would like to see Prince Paul, Minister President Jevtić and General Zivković on June 25. Minister von Heeren and Ingenieur Neuhausen are to ascertain who else would be concerned. On May 26 Minister President Göring would like to make a presentation to young King Peter.⁴

Minister President Göring, who will himself be staying at the Legation, is agreeable to a reception being held there on the evening of May 25 and would like on this occasion to meet Yugoslav personages, particularly from trade and industry.

In Athens, Minister President Göring wishes to have conversations with Minister President Tsaldaris, with the Minister of War, Condylis, and with the former and probably future Foreign Minister, Maximos. He is reserving the question of having further conversations with persons whom Minister Eisenlohr may propose. At any rate, it is being left to the Minister to suggest a programme for Athens and to make sure that the Greek Government issue the appropriate invitations.

As Ministerialrat Gritzbach stated this afternoon that he had not succeeded in making contact by telephone with our Minister at Athens, the Legation there will in any case be notified by us.

With regard to Sofia, Minister President Göring has expressed the wish to be received by the King and to see the Minister President, the Foreign Minister and the Minister of War. Since Ministerialrat Gritzbach has so far not made contact with our Minister at Sofia either, we will in any case also make the necessary arrangements for Sofia through the Legation there.

Ministerialrat Gritzbach has remarked that Minister President Göring has received various instructions from the Führer and Chancellor for the conversations with the leading statesmen of the different countries and that he would also be given autograph letters to take with him.⁵

RENTHE-FINK

⁴ See also document No. 93.

⁵ Neither details of the Führer's instructions nor copies of the letters have been found. Reports from the capitals visited, which contain no details of political conversations, have been filmed on Serials 9306 and 9612. A memorandum of June 13 (9588/E675791-93) by Renthe-Fink records a conversation with the Rumanian Minister who displayed concern at rumours of Göring's having, during his conversations in Budapest, encouraged the Hungarians to follow the German example in the matter of rearmament, and suggested that the latter be asked for a formal *démenti* of such reports. The memorandum bears the following marginal notes: (i) "[For the] St[ate] S[ecretary]. H[err] R[cich] M[inister] Göring should surely be informed of the conversation. R[enthe]-F[ink], June 13." (ii) "[For the] F[oreign] M[inister]: *In my opinion, No!* Comnen posed similar questions during the visit to Sofia and wanted a *démenti* then too. I simply laughed him off. B[ülow], June 13." (iii) "Submitted to the Foreign Minister; he requests that no information be passed on to M[inister] P[resident] Göring. Ko[tze], [June] 13."

No. 92

5552/E394600-02

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, May 16, 1935.

IV Po. 3266.

DEAR HERR MEYER: I am sending this report to you personally because the Danzig authorities must *on no account* discover that we have knowledge of the conversation between Papée and Greiser.

With cordial greetings and Heil Hitler!

Yours etc.,

RADOWITZ

[Enclosure]

The Consul General in Danzig to the Foreign Ministry

STRICTLY CONFIDENTIAL

DANZIG, May 16, 1935.

I G 603

IV Po. 3265.

Subject: Revaluation of the Gulden.

As I have learnt, the Polish Diplomatic Representative, Minister Papée, was received in the Senate on May 10 and, in the course of a lengthy discussion, informed the President of the Senate that it was the wish of all departments of the Polish Government that, following the devaluation of the Danzig Gulden,¹ a monetary standard should be established which would in future eliminate any difference in value between the Danzig Gulden and the Polish Zloty. M. Papée's statements clearly indicated that it was desired to introduce the Polish Zloty currency into Danzig in place of the Gulden currency and to enter into negotiations for a Danzig-Polish agreement on the unification of the currencies.

The President of the Senate pointed out that, in view of the excited mood of the population, which had been greatly disturbed by the devaluation of the Gulden, it would, for reasons of internal policy, appear to be impossible to enter into such negotiations. If such plans were to become known, it was quite conceivable that the Government would fall and that there would then be political developments calculated to cause considerable damage and disturbance not only to Danzig-Polish relations but also to German-Polish policy. It would therefore be necessary first to assess the consequences of the devaluation of the Gulden, which would not be possible before the autumn. M. Papée thereupon suggested that President Wroblewski of the Bank of Poland and President Schäfer of the Bank of Danzig should discuss the possibility of firmly linking the devalued Gulden to the

¹ See document No. 65, footnote 1.

Zloty currency, i.e., eliminating any fluctuations between these two currencies in relation to each other. Minister Papée here indicated that if fluctuation should be eliminated in this way, the stage might possibly be reached where Zloty notes would be accepted in Danzig as freely as Gulden notes. He was thinking in this connection of the circulation of the Zloty in Danzig, which had so far been forbidden, being made legal.

President of the Senate Greiser left it that he would inform M. Papée in approximately a week's time as to whether the Danzig Government considered it advisable for the Presidents of the two Banks to discuss these matters.

RADOWITZ

No. 93

9612/E678444-45

*Counsellor Busse to Senior Counsellor Heiburg*¹

BRESLAU, May 16, 1935.

DEAR HERR HEINBURG: It may be as well for me to write at once and let you know how and with what result I accomplished my mission with R[asić]²—I was able to speak to him this very morning about Hungarian reports³ of the allegedly impending proclamation of Archduke Eugene as Austrian Regent and at the same time to mention the contradictory reports which we have received.⁴ But R[asić] was already aware of the rumours about Starhemberg as well as of the transformation of the Habsburg question into a general monarchical one and said that these two topics in particular had been thoroughly discussed at the Bucharest conference,⁵ which was why the conference had been prolonged for another day. He became very agitated and said most emphatically that Yugoslavia would never tolerate a restoration of the monarchy in Austria, least of all a Habsburg monarchy, regardless of whether France supported it or not. Her ties with France by no means went as far as this; should a Regent be appointed, Yugoslavia would protest most vigorously and probably even mobilize. As for the Italian wishes, R[asić] seemed to regard them as altogether irrelevant.

I did not touch upon the plans for the Austrian army;⁶ R[asić] did not mention them of his own accord either.

But R[asić] did bring the conversation round to the impending

¹ The original of the document here printed is in Busse's handwriting; a typescript prepared in the Foreign Ministry (9612/E678444-47) bears the marginal note: "The F[oreign] M[inister] is informed. B[ülow], May 17."

² Counsellor at the Yugoslav Legation in Berlin.

³ No record of such reports has been found.

⁴ See also documents Nos. 84 and 87.

⁵ A conference of the Balkan Entente was held at Bucharest May 10-18; an official communiqué was issued on May 13.

⁶ See document No. 84.

visit by Minister President Göring to Belgrade⁷ and said that although a visit from G[öring] to Yugoslavia was certainly welcome, nevertheless his appearance in the capital was regarded with a certain amount of embarrassment, especially as the Minister President was travelling with such a retinue of State Secretaries, Ministerialräte etc. Undertaken in this form, the visit would certainly cause a great sensation and he, R[asić], could imagine that M. Balugdzić⁸ would be instructed by Jevtić at least to suggest a postponement of the visit. Apparently it has also aroused comment amongst Yugoslavs as to how it comes that the Minister should have announced his visit to Belgrade without being expressly invited ([“] . . . he simply announces his visit . . .”).

This, at all events, is for your immediate information in case M. Balugdzić should perhaps meanwhile make some *démarche*.

The exhibition is excellent and contains valuable material. The functions, lectures, etc., are of a high standard and the organization is most efficient. M. Comnen and his family as well as M. Christoff⁹ are also here.

With cordial greetings,

Yours,

BUSSE

⁷ Marginal notes: (i) “D[irector Köpke]. These views of Rasić’s on Belgrade’s attitude to the Pruss[ian] Minister President’s visit [see document No. 91] seem to me to be very noteworthy. R[enthe]-F[ink], May 17.” (ii) “Immediate. [For the] St[ate S]ecretary]. Köpke, May 17.”

⁸ The Yugoslav Minister in Berlin; in a memorandum of May 18 (9612/E678467-68), Köpke recorded that Balugdzić had stated that he had been instructed to raise with Göring the question of postponing the latter’s visit.

⁹ Bulgarian Minister in Berlin.

No. 94

3088/624773-74

The Minister in China to the Foreign Ministry

Telegram

URGENT

PEKING, May 17, 1935—12:43 p.m.

No. 32 of May 17

Received May 17—8:45 a.m.

For the Foreign Minister.

Consul General Kriebel requests that the following telegram be transmitted to the Führer and Chancellor.

“The pre-requisite for transactions between the German arms and munitions industry and the Nanking Government, and therefore the main basis for the existence of many German import firms in Shanghai, is the continued functioning of the German Military Mission in Nanking. Anything that endangers the functioning of this Mission in Nanking cuts the ground from beneath the Government’s transactions, and therefore also from beneath the Klein project in Nanking. If German advisers in Nanking are replaced by Japanese, for instance, the entire trade will become Japanese.

The German military advisers in Canton, in conjunction with Klein's arms and ordnance transactions there, have brought the German Mission in Nanking into danger of being recalled. According to General F[alkenhausen], Chiang Kai-shek has left no doubt about this.¹

I am very much concerned lest the Reichswehr Ministry, as an interested party, may be misjudging the realities of this situation and the relations between the recognized Nanking Government and Canton.

The position of the Nanking Government and of Chiang Kai-shek has never been firmer than now, which means that Canton is no longer a serious rival. Any hope that the future development of Canton might justify the destruction of everything hitherto achieved in Nanking would be vain.

We are destroying the Nanking Government's confidence in us and are running the risk of falling between two stools if we believe that we can support the recognition of the Government on the one hand and at the same time their potential enemy of tomorrow on the other.

I suggest a generous settlement: the recall of the German military advisers from Canton or their transfer to Nanking, and the abandonment of Klein's arms and ordnance transactions in Canton, in exchange for large-scale transactions with Nanking which, in accordance with your instructions, would receive full support from here."

End of Kriebel's telegram.

I, too, consider the liquidation of the Canton venture necessary; it would, however, have to be done slowly, unobtrusively and with the greatest caution, in order to avoid the danger of a boycott of the resident German nationals. Klein's recent Canton project and the sending out of additional military advisers should be stopped forthwith.

TRAUTMANN

¹ In telegram No. 38 of May 20 (3088/624775) Trautmann reported: "With reference to the second paragraph of Kriebel's telegram, I have ascertained from Falkenhausen that there has been no statement by Chiang Kai-shek about the danger of our military advisers being recalled. Such direct statements are indeed not to be expected from the Chinese, but Falkenhausen is very anxious."

No. 95

6695/H103099

Memorandum by the Foreign Minister

BERLIN, May 17, 1935.

RM 416.

e.o. IV Ru. 1980.

The Russian Ambassador called on me today and informed me on behalf of his Government that, as a result of the conversations with

M. Laval,¹ they had decided to take the initiative in bringing about an Eastern Pact on the basis of the memorandum which we had communicated to the British Ministers.² M. Suritz said that the basic elements of this regional pact would be agreements on non-aggression, consultation and non-support of an aggressor, but, when questioned, said that he had no knowledge of the details of the proposal it was intended to make.

I told M. Suritz, in reply to a question on this point, that though in principle we abided by the basis we had communicated to the British, I should have to reserve judgement both on the forthcoming proposal and on the question of what States were to participate in this Eastern Pact. I pointed out, in particular, that at present any pact with Lithuania was out of the question where we were concerned.

FRHR. VON NEURATH

¹ See document 90, footnote 2.

² See vol. III of this Series, document No. 564, enclosure.

No. 96

6079/E450953-56

Minister Papen to the Führer and Chancellor

BERLIN, May 17, 1935.

Lennéstrasse, 9.

II Oe. 1295.

MY FÜHRER: In view of the necessity for preserving your voice for Tuesday,¹ it would be unbecoming in me at this time to request a further discussion on the Austrian problem. I shall therefore confine myself to outlining the present situation and the necessity for an immediate decision, and I would request you to send me instructions.

The information, which I reported to you the day before yesterday [*sic*],² that the Austrian Government intend to announce their rearmament unilaterally and at the same time to proclaim a regency under Starhemberg on June 2, becomes more and more probable. The parade of the Heimatschutz³ and of all para-military formations arranged for June 2 will be announced in the press. We are informed in confidence that it is intended to hold rallies. Herr von Hassell has reported in connection with his conversation with Mussolini⁴ that, as the Habsburg question cannot be resolved on account of the Little Entente's opposition, "Austria would rightly be satisfied with the restoration of a monarchy even though not of the Habsburgs, and would perhaps, to begin with, introduce a regency *à la* Horthy". A

¹ The reference is to Hitler's Reichstag speech on May 21; see Editors' Note, p. 171.

² See document No. 84 and footnote 1 thereto.

³ The rally of the Heimatschutz was held in Vienna on June 2. On this occasion Starhemberg declared his loyalty to and full support of Schuschnigg.

⁴ See document No. 87.

total Heimwehr dictatorship under Starhemberg would mean the complete strangulation of all pro-German tendencies, the consequent purging of the Government machine and, above all, an attempt to detach the army from German influence. How far such a régime would be an enduring success is certainly questionable, but in view of the apathy evident in the widest circles in Austria and of the bad economic situation, as also of the impossibility of obtaining financial assistance from Germany, it would certainly last for a number of years. Mussolini would thereby have achieved what he is clearly finding himself unable to achieve by the Danubian Pact. The Little Entente would be placated because Germany's opportunities for exerting influence would have been finally reduced without the risk of an Italian invasion.

I would propose that we intervene actively in this game. The basic idea would have to be to play off Schuschnigg, together with the Christian-Social forces opposed to a Heimwehr dictatorship, against Starhemberg. Schuschnigg would have to be given the chance of frustrating the measures arranged between Mussolini and Starhemberg by laying before the Government the offer of a final adjustment of German-Austrian interests. According to the opinion, which carries conviction, of Captain Leopold, the leader of the NSDAP in Austria, the totalitarian concept of the NSDAP should temporarily [*zunächst*] be replaced in Austria by a combination of the Pan-German [*gross-deutsch*] wing of the Christian-Social party and the NSDAP. If Germany acknowledges the national independence of Austria, and undertakes to allow complete freedom to the Austrian National Opposition, the immediate result of such an arrangement would be that these forces would coalesce to form an Austrian Government. A gradual breaking down of the barriers separating the two countries would undoubtedly ensue. The equipping of the army—even if material assistance from Germany were limited—would closely accord with that of the Reichswehr. A further result of this step would be the possibility of German participation in the Danubian Pact, the defects of which would be eliminated by the adjustment of German-Austrian relations. Altogether, such a procedure would have a beneficial effect on the European situation as a whole and in particular on our relations with Great Britain.

It may be objected that Herr Schuschnigg will hardly decide to follow this course and that he will more probably inform the other side of our offer.

Of course, the possibility of playing Schuschnigg off against Starhemberg would have to be investigated by intermediaries. This possibility exists. If ultimately Herr Schuschnigg were to say "no", and were to inform Rome of our offer, no harm would be done; on the contrary, the Reich Government's endeavour to make their peace

with Austria without prejudicing the interests of others would be brought to light, and so this last attempt, even if it failed, would redound to our credit. I consider it, generally speaking, quite possible, in view of the widespread aversion amongst the Alpine countries to the course taken by Italy and the acute tension within the Austrian Government, that Herr Schuschnigg would grasp this last lifeline—always provided that the offer could not be interpreted by the other side as a trap, but that it bore all the marks of a really honest settlement with Austria.

Assuming the move to be a success, we should again have entered actively into Central European politics; this move, compared with French-Czech-Russian political manoeuvres, would constitute an enormous moral and practical success.

Since, in the fourteen days still at our disposal, a great deal of sounding and discussion would have to be done, an immediate decision becomes necessary.

The Reichswehr Minister shares the view set out above and the Reich Foreign Minister wishes to discuss it with you, my Führer.

V. PAPEN

[EDITORS' NOTE: On May 21, 1935, at 8 p.m., Hitler delivered an address before a special session of the Reichstag, in the course of which he reviewed German and world history since the Treaty of Versailles, surveyed some of the existing international problems and extolled National Socialism as the saviour of Germany and perhaps of Europe from the dangers of Bolshevism. The concluding portion of this address, omitting the peroration, is given below in the official English translation. Places where this translation differs substantially from the original German have been marked with an asterisk and an amendment inserted in square brackets.

"Germany has nothing to gain by a European war of any kind. What we want is freedom and independence. For this reason we were ready to conclude pacts of non-aggression with all our neighbours, Lithuania excepted. The sole reason for this exception, however, is not that we wish for a war against that country, but because we cannot make political treaties with a State which ignores the most primitive laws of human society.

"It is sad enough that, owing to the way in which the European peoples are split up territorially, very difficult circumstances would be encountered by any practical plan for the delimitation of frontiers which would coincide with the various *national groups [nationalities—*Nationalitäten*]. It is sad, too, that in the making of certain treaties national affiliations have been consciously disregarded. But this makes it all the more necessary that people who have had the mis-

fortune to be torn away from their national kindred should not [in addition] be oppressed and maltreated.

"A few weeks ago I saw the statement made in a great international newspaper that Germany could easily renounce her claim to the Memel Territory because she is big enough already. But the noble humanitarian author of that statement forgot one thing—namely, that 140,000 people have [after all] the right to live in their own way and that it is not a question whether Germany wants them or not but whether they themselves want to be Germans or not.

"They are Germans. By a surprise attack in the midst of peaceful conditions they were torn away from Germany and the attack was subsequently sanctioned. As a punishment for still adhering to their German feelings, they were persecuted, tortured, and maltreated in a most barbarous way. What would be said in England or France if members of one of these nations were subjected to a similar *tragedy [tragic fate]? When people who have been torn away from their own nation, in defiance of every natural right and sentiment, still preserve a feeling of allegiance to their *motherland [nation—*Volk*] and that feeling is considered as a punishable crime, then this means that such human beings are denied even the right that is allowed to every beast of the field. By this I mean the right of remaining devoted to the old master and the community in which it was born. *In Lithuania 140,000 Germans have been reduced to so low a status that they are even denied this primitive right. [But 140,000 Germans in Lithuania are rated below even these rights.] Therefore, as long as the responsible guarantors of the Memel Statute fail to induce Lithuania to respect the most primitive of human rights, it will be impossible for us to conclude any treaty with that country.

"With this exception however—an exception which can be removed at any time by the Great Powers who are responsible—we are ready, through pacts and non-aggression undertakings, to give any nation whose frontiers border on ours that *assurance [enhanced feeling of security] which will also be beneficial to ourselves. But we cannot supplement such treaties by giving undertakings *to assist other countries in case of war [to render assistance]. *Such undertakings would be unacceptable to us because of the political doctrines in which we believe, and also for technical reasons. [Such undertakings would be ideologically, politically and technically unacceptable to us.] National Socialism cannot call upon the German people, who are its adherents, to fight for the maintenance of a system which is looked upon [at least] in our own country as deadly inimical. An undertaking to keep the peace? Yes. We ourselves do not wish for military assistance from the Bolsheviks and we should not be in a position to render them military assistance.

"Moreover, in the concluding of certain assistance pacts which are

known to us we see a development that in no way differs from the old type of military alliances. We regret this in a special way because, as a result of the military alliance between France and Russia, an element of legal insecurity has [without doubt] been brought into the Locarno Pact, which is the most definite and most really valuable treaty of mutual assurance in Europe. The points that have recently been raised in various quarters as to the legal obligations arising out of these new alliances are presumably the result of similar misgivings and prove, both in the way the questions are put and the manner in which they are answered, how great is the number of possible eventualities which might give rise to corresponding differences of opinion. The German [Reich] Government would be specially grateful for an authentic interpretation of the retrospective and future effects of the Franco-Russian military alliance on the contractual obligations of the *single [individual] parties who signed the Locarno Pact. The German Government also does not wish to allow any doubts to arise as to its own belief that these military alliances are contrary to the spirit and letter of the Covenant of the League of Nations.

"The signing of individual non-aggression pacts, as long as it is not clearly defined what this non-aggression means, is just as impossible for us as to undertake the aforementioned unlimited obligations [to render aid]. On our part we, Germans, would have more reasons to rejoice than anyone if, finally, a way or method could be found to [forbid and] prevent the exercise of influence by outside forces on the inner political life of the nations. Since the end of the war Germany has been the victim of such interferences continually. Our Communist Party was a section of a political movement which had its headquarters abroad and was directed from abroad. All the revolts in Germany were fomented by teaching from abroad and were materially supported from abroad. The rest of the world knows this quite well but has never *taken much pains about it [been particularly excited about it].

"An army of emigrants is working against Germany from abroad. In Prague and Paris [and other cities] revolutionary newspapers are still being printed in the German language and are constantly being smuggled into Germany. Public incitements to acts of violence are [readily] published, not merely in these papers, but also in several of the great papers which have a large circulation. What are called *'blackleg' [black—*schwarze*] radio stations broadcast appeals which call for murderous activities in Germany. Other stations make propaganda in the German language for terror-organizations which are forbidden in Germany. Courts of justice are publicly set up abroad which endeavour to interfere [from outside] in the German administration of justice [and so on, and so on]. We are interested in seeing all these ways and methods abolished; but besides our own interest we

recognize that, if such operations are not defined with great exactitude, a Government which—in its own interior—*does not govern by any other right but [has no other legal basis than] that of force *might [will immediately attempt to] attribute any internal revolt to the influence of outside interference and then, in order to maintain its position, demand such military assistance as had been guaranteed contractually.

“The fact that in Europe political frontiers *do not correspond to the cultural frontiers is a fact that can be and is very much regretted [are not and cannot be the frontiers of ideas can hardly be disputed]. Since the rise of Christianity certain ideas have spread in an unbroken tradition *throughout Europe. They have formed groups which have had a decided influence on the destiny of Europe [throughout the European community of peoples and destinies]. They have bridged across frontiers of States and nations and have created elements of union.

“If, for instance, some foreign cabinet minister should express his regret that certain ideas which are held valid in Western Europe are not recognized today in Germany, then it will be easier to understand how [conversely] the doctrines of the German Reich cannot be entirely without their influence in one or other of the German countries.

“Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria, or to conclude an ‘*Anschluss*’. The German people and the German Government have, however, the very comprehensible desire, arising out of a simple feeling of solidarity due to a common national descent—namely, that the right to self-determination should be guaranteed, not only for foreign nations but to the German people everywhere. I myself believe that no régime which does not rest on public consent and is not supported [and desired] by the people can continue permanently. If there are no such difficulties between Germany and Switzerland, which is to a large extent German, that is due to the [simple] fact that the independence and self-reliance of Switzerland is a reality, and because nobody doubts that the Swiss Government represents the real and legal expression of the will of the people.

“We Germans have every reason to be glad that there is on our frontier a State, a large percentage of whose population is German, which is firmly established and possesses a real and actual independence. The German Government regret the tension which has arisen from the conflict with Austria all the more because it has resulted in disturbing our former good relations towards Italy, a State with whom we otherwise have no conflict of interests.

“Passing from these general considerations to a more precise summing up of the present issues, I hereby declare that the position of the German Government is as follows:

"1. The German [Reich] Government reject the Geneva resolution of April 17. It was not Germany which unilaterally broke the Versailles Treaty. The Versailles dictate was unilaterally broken, and thereby rendered invalid as regards the points at issue, by those Powers who could not decide to carry out in their turn the disarmament which was imposed on Germany and which should have followed in their case by virtue of the Treaty.

"The new discrimination introduced [by the resolution] at Geneva makes it impossible for the German [Reich] Government to return to that institution until the preconditions for a real legal equality of all members have been established. For this purpose the German [Reich] Government consider it necessary to make a clear separation between the Treaty of Versailles, which was based on a classification of the nations into victors and vanquished, and the League of Nations, which must be constituted on the basis of *equal valuation [parity of esteem—*Gleichbewertung*] and equality of rights for all the members.

"This equality of rights must be extended to all functions and all property rights in international life.

"2. The German [Reich] Government, consequent on the failure of the other States to fulfil their disarmament obligations, have on their part renounced those articles of the Versailles Treaty which, because of the one-sided burden these laid on Germany contrary to the provisions of the Treaty, have constituted a discrimination against Germany for an unlimited period of time. They hereby most solemnly declare that these measures of theirs relate exclusively to the points which involve moral and material discrimination against the German people and of which notice has been given. The German Government will therefore unconditionally respect the articles concerning the *mutual relations [coexistence—*Zusammenleben*] of the nations in other respects, including the territorial provisions, and those revisions which shall be rendered necessary in the course of time will be put into effect only by the method of peaceful understanding.

"3. The German [Reich] Government intend not to sign any treaty which seems to them incapable of fulfilment; but they will scrupulously maintain every treaty voluntarily signed, even though it was concluded before their accession to power and office. In particular they will uphold and fulfil all obligations arising out of the Locarno Treaty, so long as the other partners are on their side ready to stand by that pact. In respecting the demilitarized zone the German [Reich] Government consider their action as a contribution to the appeasement of Europe, which contribution is of an unheard-of hardness for a sovereign State. But they feel bound to point out that the continual increase[s] of troops on the other side can in no way be regarded as a complement to these endeavours.

"4. The German [Reich] Government are ready at any time to

participate in a system of collective cooperation for safeguarding European peace, but regard it [as] necessary to recognize the law of perpetual evolution by keeping open the way to treaty revision. In making possible a regulated evolution in the treaty system, they recognize a factor for the safeguarding of peace, and, in the suppression of every necessary change, a preparation for future explosions.

"5. The German [Reich] Government are of the opinion that the reconstruction of European collaboration cannot be achieved by the method of imposing conditions unilaterally. In view of the fact that the various interests involved are not always concordant, they believe it right to be content with a minimum instead of allowing this collaboration to break down on account of *an unalterable maximum of demands [a maximum of demands incapable of fulfilment]. They have the further conviction that this understanding—with a great aim in view—can be brought about only step by step.

"6. The German [Reich] Government are ready in principle to conclude pacts of non-aggression with their neighbour States [individually], and to supplement these pacts with all provisions that aim at isolating the war-maker and localizing the area of the war. In particular, they are ready to assume all consequent obligations regarding the supply of material and arms in peace or war where such obligations are also assumed and respected by all the partners.

"7. The German [Reich] Government are ready to supplement the Locarno Treaty with an air agreement and to enter upon discussions regarding this matter.

"8. The German [Reich] Government have announced the extent of the expansion of the new German Defence Force [Wehrmacht]. In no circumstances will they depart from this. They do not regard the fulfilment of their programme in the air, on land, or at sea, as constituting a menace to any [other] nation. They are ready at any time to limit their armaments to any degree that is also adopted by the other Powers.

"The German [Reich] Government have already spontaneously made known the definite limitations of their intentions, thereby giving the best evidence of their good will to avoid an unlimited armaments race. Their limitation of the German air armaments to parity with the [other] individual great Powers of the West makes it possible at any time to fix a maximum [figure] which Germany will *be under a binding obligation [firmly bind herself] to observe with the other nations. The limitation of the German navy is placed at 35 per cent of the British navy, and therewith still at 15 per cent below the total tonnage of the French navy. As the opinion has been expressed in various press commentaries that this demand is only a beginning and would increase, particularly with the possession of colonies, the

German [Reich] Government hereby make the binding declaration: For Germany this demand is final and abiding.

"Germany has not the intention or the necessity or the means to participate in any new naval rivalry. The German [Reich] Government recognize of themselves the overpowering vital importance, and therewith the justification, of a dominating protection for the British Empire on the sea, precisely as we are resolved conversely to do all that is necessary for the protection of our [own] continental existence and freedom. The German Government have the straightforward intention [to do everything] to find and maintain a relationship with the British people and State which will prevent for all time a repetition of the only struggle there has been between the two nations hitherto.

"9. The German [Reich] Government are ready to take an active part in all efforts which may lead to a practical limitation of boundless armaments. They regard a return to the former idea of the Geneva Red Cross Convention as the only possible way to achieve this. They believe that first there will be only the possibility of a gradual abolition and outlawry of weapons and methods of warfare which are essentially contrary to the Geneva Red Cross Convention, which is still valid. [They believe that] just as the use of dum-dum bullets was once forbidden and, on the whole, thereby prevented in practice, so the use of [certain] other definite arms should be forbidden and prevented. Here the German Government have in mind all those arms which bring death and destruction not so much to the fighting soldiers as, in the first instance, to non-combatant women and children.

"The German [Reich] Government consider as erroneous and ineffective the idea of doing away with aeroplanes while leaving bombardment free. But they believe it possible to proscribe the use of certain arms as contrary to international law and to *excommunicate [outlaw] those nations still using them from the community of mankind—its rights and its laws.

"Here also they believe that gradual progress is the best way to success. For example, there might be prohibition of the dropping of gas, incendiary and explosive bombs outside the real battle zone. This limitation could then be extended to complete international outlawry of all bombing. But so long as bombing as such is permitted any limitation of the number of bombing-planes is questionable in view of the possibility of rapid *substitution [*Ersatz*].

"Should bombing as such be branded as an *illegal [*völkerrechtswidrig*] barbarity, the construction of bombing-aeroplanes will soon be abandoned as superfluous and of no purpose. If, through the Geneva Red Cross Convention, it turned out possible as a matter of fact to prevent the killing of a defenceless wounded man or prisoner, then it ought to be equally possible to forbid, by an analogous convention, and finally to stop, the bombing of equally defenceless civil populations.

"In such a fundamental way of dealing with the problem Germany sees a greater reassurance and security for the nations than in all pacts of assistance and military conventions.

"10. The German [Reich] Government are ready to agree to any limitation which leads to abolition of the heaviest arms, especially suited for aggression. Such are, first, the heaviest artillery, and, secondly, the heaviest tanks. In view of the enormous fortifications on the French frontier such international abolition of the heaviest weapons of attack would *ipso facto* give France [virtually] 100 per cent security.

"11. Germany declares herself ready to agree to any limitation whatsoever of the calibre-strength of artillery, battleships, cruisers, and torpedo-boats. In like manner the German [Reich] Government are ready to accept any international limitation of the size of war-ships. And, finally, they are ready to agree to limitation of tonnage for submarines, or to their complete abolition in case of international agreement. And they give the further assurance that they will agree to any international limitation or abolition of arms whatsoever *for a uniform space of time [*im gleichen Zeitraum*].

"12. The German [Reich] Government are of the opinion that all attempts to bring about an alleviation of certain strained relations between individual States by means of international or multilateral agreements must be in vain until suitable measures are taken to prevent the poisoning of public opinion among the nations by irresponsible elements orally or in writing, through the theatre or the cinema.

"13. The German [Reich] Government are ready at any time to reach an international agreement which shall effectively [forbid and] prevent all attempts at outside interference in the affairs of other States. They must demand, however, that such a settlement be internationally effective, and work out for the benefit of all States. As there is a danger that in countries where the Government does not rest on the general confidence of the people, internal upheavals may all too easily be ascribed [by interested parties] to external interference, it seems necessary that the conception of 'interference' should be subjected to a precise international definition. . . ."

The full text of the speech is printed in *Verhandlungen des Reichstags*, vol. 458, pp. 39 ff. The English translation was published as a pamphlet entitled: *Speech delivered in the Reichstag, May 21st, 1935, by Adolf Hitler, Führer and Chancellor. Approved Translation* (M. Müller & Sohn G.M.B.H., Berlin, SW 19).]

[EDITORS' NOTE: On May 21 a new Defence Law [*Wehrgesetz*], for the text of which see *Reichsgesetzblatt*, 1935, Part I, pp. 609-614, was

promulgated; this defined the composition and channels of command of the new Wehrmacht and laid down details of the administration of the universal military service which had been announced on March 16 (see vol. III of this Series, document No. 532 with footnote 2 thereto *et passim*). For documents on the establishment of the Luftwaffe on March 1 and for a table of its strength, see also *ibid.*, documents Nos. 507 and 534 and Appendix I. The text of a Reich Defence Law [*Reichsverteidigungsgesetz*], which was passed but not made public on May 21 and which laid down emergency and mobilization procedures, is printed with related papers in *Trial of the Major War Criminals*, vol. xxx, as document No. 2261-PS Exhibit USA-24, pp. 59-65.

For the convenience of the reader two tables showing in broad outline the organization of the Armed Forces before and after the changes which came into effect on June 1, 1935, are printed in Appendix I.]

No. 97

5552/E394583-90

The Prussian Minister President to the Foreign Minister

St. M.I 5632

BERLIN, May 21, 1935.

CONFIDENTIAL

IV Po. 3417.

I enclose the minutes of a conference on the Danzig question, held at my office on May 20.

I assume that the departments concerned will take the necessary measures without delay, and I beg to be informed of the state of affairs in six weeks' time.

I have meanwhile seen the Polish Ambassador and have set forth the questions at issue to him without going into detail.¹

GÖRING

[Enclosure]

A conference on Danzig questions took place at the Minister President's office on Monday, May 20. Those present were: Reich Ministers von Neurath, Count Schwerin von Krosigk, Frick, Reichsbank President Schacht, State Secretary Backe,² and, for Danzig, Gauleiter Forster and President of the Senate Greiser.

The conference proceeded as follows:

I

The representatives from Danzig explained the difficulties of the situation.³ With regard to developments in respect of the currency,

¹ No record of this conversation between Lipski and Göring has been found in the files, but see also Szembek: *Journal*, p. 90.

² State Secretary in the Ministry of Food and Agriculture.

³ See also documents Nos. 65 and 92.

they pointed out that the run on foreign exchange and gold was continuing, so that it was becoming increasingly difficult to maintain the currency. In the long run it would, indeed, not be possible to prevent the introduction of the Zloty into Danzig, since Poland desired this.⁴ Should Danzig absolutely refuse to accept unification of the currency, this would result in difficulties with Poland which would embarrass the whole of German foreign policy. At present, however, a persistent depreciation of the Danzig currency was altogether undesirable as it would provide the Opposition in Danzig with a constant source of ammunition. Measures would therefore have to be taken to prevent a further fall in the Gulden.⁵ Since it would be a boundless task to try to support the currency by monetary means, Danzig would have to be given aid in some other way. Such aid should consist in the first place of measures to help to relieve the Danzig budget and of other measures to support Danzig, especially in the sphere of trade.

With regard to the budgetary and financial position it was stated that Danzig had now exhausted all her own resources.⁶ Banks, savings banks and social insurance societies had been drawn upon to the utmost possible extent. Nevertheless, there were now no resources available to pay the civil servants' salaries on June 1, there was no money for poor relief, there was not a penny left for provision of work [programmes]. Danzig was not in a position to take drastic measures of retrenchment and economy⁷ without violating the Constitution⁸ and the laws⁹ and thus exposing herself to legal objections and indictments before the League of Nations.⁹ Moreover, in the latter case the Poles would be presented with an excellent opportunity for interfering in Danzig affairs. Besides, before the budget could be put on a sound basis, it would be necessary to await the

⁴ Marginal note in Meyer's handwriting against this sentence: "This is a long-standing demand; the possibility is provided for in the Paris agreement." (For the text of the Convention between Poland and the Free City of Danzig, signed at Paris, Nov. 9, 1920, see League of Nations: *Treaty Series*, vol. vi, pp. 189-207. The relevant Article, No. 36, reads: "Poland and the Free City of Danzig undertake to enter into negotiations, when circumstances permit, on the request of either of the two parties, with a view to unifying their monetary systems. An interval of one year shall be allowed before such unification, when decided on, comes into effect.")

⁵ Marginal note in Meyer's handwriting against this sentence: "As long as the serious crisis of confidence lasts, no remedy will be effective."

⁶ Marginal note in Meyer's handwriting against this passage: "The reserves of the savings banks, insurance societies, etc., have been so heavily drawn upon that they are almost all illiquid. The currency windfalls, amounting to some 10 million accruing through devaluation, have already been exhausted to meet withdrawals."

⁷ Marginal note in Meyer's handwriting: "Untrue; at least probably only in [one word no longer legible] of some millions."

⁸ The Constitution was originally drawn up in accordance with the provisions of Article 103 of the Treaty of Versailles and agreed to by the League High Commissioner in Danzig on May 11, 1922 (for the text see League of Nations: *Official Journal*, 1922, Special Supplement No. 7); it was extensively amended on July 4, 1930, the League Council giving its consent to the amendments on Sept. 9, 1930 (see League of Nations: *Official Journal*, Dec. 1930, pp. 1794-1819). On June 24, 1933, the Senate and Volkstag passed a Law to Relieve the Distress of the People and State [*Gesetz zur Behebung der Not von Volk und Staat*]; for the text see the *Danziger Gesetzblatt*, 1933, pp. 273 ff.

⁹ Marginal notes at this point in Meyer's handwriting: "Untrue; not necessary."

effects of the devaluation, which as yet could not be predicted with any certainty. Any attempts at economy would also further aggravate the political situation in Danzig.¹⁰ The opposition was already so strong that there might well be a referendum¹¹ soon, which would entail a serious threat to the survival of National Socialism in Danzig.¹²

In view of this state of affairs, Danzig could not do without further effective assistance from the Reich. The Reich must support Danzig by further grants of money, and in particular by paying the still outstanding debts for goods supplied by Danzig. Furthermore, aid must be given in the form of supplying goods, the proceeds from which Danzig should be allowed to apply to relieve her budget and to support her economy.

II

In reply to the remarks made by the Danzig representatives, the following was stated:

(1) In the long run it would not be possible to maintain the Danzig currency.¹³ Danzig would have to adjust herself to Poland's level and accept the unification of her currency with that of Poland. Efforts must, however, be made to get Poland to do as much as possible in return for any concession over the currency question.¹⁴ Negotiations on this must be begun with Poland as soon as possible. In return for the concession over the currency question Poland must be asked to agree to a commercial settlement between Germany and Danzig which would take Danzig's requirements into account.¹⁵ With regard to the currency, efforts must be made to bring about an arrangement similar to that existing between Belgium and Luxemburg, which would amount to the Danzig currency being retained in theory while in practice the Zloty would be put into circulation in Danzig.¹⁶

(2) Danzig must try as far as possible to balance her budget herself, and, further, Danzig must submit a balance sheet as soon as possible showing the state of assets and liabilities and the amount which, after all possible economies had been effected, it would then be necessary¹⁷

¹⁰ Marginal note in an unidentified handwriting: "? The reverse!"

¹¹ Article 47 of the Constitution (see footnote 8 above) reads: "A referendum shall be taken on the demand of one-tenth of the electorate, who shall at the same time submit a complete draft of the bill. The bill in question shall be laid before the Popular Assembly by the Senate, with a statement of its views thereon. The referendum shall not be resorted to if the bill is accepted without amendment by the Popular Assembly."

¹² Marginal note in an unidentified handwriting: "Yes."

¹³ Marginal note in Meyer's handwriting against this sentence: "This is not correct; it depends on whether there is an effective reorganization and a clear economic policy is pursued."

¹⁴ Marginal note in Meyer's handwriting against this sentence: "The Poles will do *nothing* in return; while the present situation continues they need *only* wait; everything will fall into their lap of its own accord."

¹⁵ Marginal note in Meyer's handwriting against this sentence: "A hopeless attempt."

¹⁶ Marginal note in Meyer's handwriting against this sentence: "This the Poles will not do; nor is it practically feasible either."

¹⁷ Marginal note: "?"

for the Reich to provide. At the moment the position appeared to be that the Danzig State and City budgets together showed a deficit of some 70 million Gulden, which could be reduced, after the introduction of certain economy measures, to 60 million Gulden. By means of the clearing arrangement for goods the deficit could be further reduced by some 13 million Gulden.¹⁸ There would then remain some 47 million Gulden, or about 22 million Reichsmark, outstanding. Here the Reich would, in the main, only be able to assist by taking over certain of Danzig's responsibilities. In particular, efforts could be made to transfer Danzig civil servants, pensioners and unemployed¹⁹ to Germany, to incorporate the Danzig relief organization in the Labour Service and to employ members of the Danzig Landespolizei in the German Landespolizei.²⁰ Since, however, it would be difficult to put these measures into operation and since they promised only limited results, Danzig would not be able to avoid having, on her side, to embark on stringent economy measures. If a radical simplification of administration were carried out, dismissals of civil servants would be not only legally possible but also inevitable.²¹ Nor would Danzig be able any longer to avoid retrenchments in her expenditure on items other than personnel.

(3) Where the question of commerce was concerned, Germany could no longer take agricultural products [from Danzig]. Even the purchases hitherto made from Danzig had not been of a commercial nature, but had rather represented camouflaged subsidies. The German debts that had accumulated in respect of such purchases must indeed be regarded in this light.²² To cover these debts efforts would be made at partial repayment to Danzig, the remainder Danzig must leave as outstanding claims. Furthermore, Danzig could also be allowed to sell on the world market as much as possible of the goods supplied and to benefit from the proceeds. Danzig could be

¹⁸ Marginal note in an unidentified handwriting: "In *one year*." By a letter of May 31 (5552/E394531), the office of the Prussian Minister President informed Neurath, Frick, Darré and Schacht that, at the request of the Reich Finance Minister, this sentence should be deleted and replaced by: "A part of the payments of the Reich to the Danzig budget can be transferred without using foreign exchange by means of departmental clearing transactions; the deficit will thereby be further reduced by approximately 13 million Gulden."

¹⁹ This word has been underlined and a marginal note in an unidentified handwriting reads: "Will encounter *great* difficulties."

²⁰ Marginal note in Meyer's handwriting against this sentence: "The political and financial results of these measures are very problematical."

"The political results are clear."

"The financial results some 8-10 million."

²¹ Article 92 of the Constitution (see footnote 8 above) contains the following clause: "... officials cannot be provisionally removed from office, discharged or transferred, whether temporarily or permanently, to the retired list or to another post with a lower salary, except in accordance with the conditions and formalities established by law. . . ."

²² Marginal note in Meyer's handwriting against this passage: "That would be the end of agriculture in Danzig. No market available in Danzig territory. Disposal to Poland impossible. Disposal on world markets only at a loss, as cost of production below [*sic* ? above] world prices." See also document No. 65.

aided most effectively by supplies of German goods to be paid for through the Bank of Danzig's Gulden account, Danzig to apply the sums accruing to the relief of her finances and to support her economy, while the German exporters would be paid in Marks.²³ What sums the Reich Finance Minister would be able to make available for this purpose remained to be studied. Such action would require Poland's approval²⁴ which must be obtained at the currency negotiations referred to under point (1) above. As to the sum total, amounting at present to about ten million, owed in Germany by Danzig merchants, payment could be made to the Bank of Danzig immediately under the procedure outlined above.²⁵

(4) In order, in view of impending developments, to prevent as far as possible any further *deterioration in the domestic situation*, the population would have to be influenced primarily by means of propaganda.²⁶ Germany would supply Danzig with the necessary material for this purpose (books, newspapers, periodicals, films). Forcible measures to repress the Opposition would have to be avoided, in so far as such measures could not be based on the introduction of fresh penal legislation.²⁷ In any case it was to be hoped that the population of Danzig would take courage of their own accord when they realized that the Government were energetically and systematically embarking on a course of reorganization designed to eliminate the present distress.²⁸

(5) As to the negotiations concerning the questions of currency and commerce to be entered upon with the Poles, the Danzig representatives were advised to suggest that Germany should take part in these negotiations. Minister President Göring would undertake to see the Polish Ambassador. Furthermore, President of the Senate Greiser would try to get the League of Nations interested in bringing in the Bank for International Settlements, which would automatically bring Germany into the currency negotiations.

III

In conclusion, it was impressed on the Danzig representatives that Germany was naturally prepared to give all the aid she could, but that she must also expect the Danzig Government to do all they could themselves to help to improve the situation. It was plainly stated that Germany could not at present solve the Danzig question and

²³ Marginal note in Meyer's handwriting at this point: "Poland will *not* sanction the import of German goods; it would mean a gap in the Polish tariff system; at all negotiations so far Poland has categorically refused special treatment for Danzig."

²⁴ Marginal note in an unidentified handwriting at this point: "No; not in so far as [existing] quotas are employed. Poland will in no circumstances concede higher quotas."

²⁵ Marginal note in Meyer's handwriting at this point: "True."

²⁶ Marginal note in Meyer's handwriting at this point: "Unlikely to have any effect."

²⁷ Marginal note in Meyer's handwriting: "New penal laws should be urgently warned against; they will only aggravate and worsen the internal political situation."

²⁸ Marginal note in Meyer's handwriting: "q"

that German aid must not be allowed to affect Germany's vital interests. At present her vital interests lay primarily in her restoration to the position of a Great Power, which depended on the completion of her rearmament. Germany could not allow herself to be hindered in the performance of this task by Danzig's claims for support.²⁹

It was therefore explicitly laid down as a guiding principle for President of the Senate Greiser's conduct when he appeared in Geneva, that he should avoid acting the strong man there. He was, on the contrary, advised to be conciliatory and pliable in his behaviour and also to spin things out. In this respect Greiser can perhaps count upon the support of Poland, who clearly has no desire for difficulties with Germany at present.

²⁹ Marginal note in Meyer's handwriting against this passage: "Nor is this necessary. Of the total receipts of foreign exchange it will only be necessary to divert about 40 million. This is a small sum in comparison with

a) holding Danzig politically,

b) securing a National Socialist Government in Danzig."

No. 98

6199/E466866-68

The Embassy in Poland to the Foreign Ministry

No. 836

WARSAW, May 21, 1935.

Received May 25.

IV Po. 5316.

POLITICAL REPORT

Subject: Minister President General Göring's attendance at the funeral ceremonies for Marshal Pilsudski.¹

The sending of a large German Delegation, and especially of Minister President General Göring, to the funeral ceremonies occasioned by the death of Marshal Pilsudski, has, as repeatedly emerges from conversations, made a particularly strong impression upon Polish public opinion. It was clear that of all the guests from abroad General Göring was the most highly regarded. Interest in him was demonstrated above all in Cracow, where a crowd of several hundred people clapped the Prussian Minister President as he was walking through the town after the funeral ceremony. When the conversation with Laval² became known late that evening, public interest developed into a furore.

Polish officer circles, whose attitude towards General Göring is

¹ Marshal Pilsudski died on May 12; Göring was in Poland May 17-24.

² Laval, who had already paid a visit to Warsaw (see documents Nos. 88 and 90) broke his return journey from Moscow to attend the funeral of Marshal Pilsudski; his conversation with Göring took place in Cracow on May 18 (see *The Times* of May 20, 1935; see also document No. 129).

particularly friendly, showed gratitude and obvious pleasure at his attendance at the Marshal's funeral. This emerges *inter alia* from the fact that, on the day after the Marshal's funeral, Generals Sosnkowski³ and Fabrycy⁴ as well as the Head of the Military Cabinet, Colonel Glogowski, accepted an invitation from the Embassy, despite the strict observance of mourning, in order to meet Herr Göring.

As regards protocol, the Poles made every effort to do General Göring especial honour. A colonel and three officers were assigned to him for the duration of his stay here. A guard of honour paraded for his arrival in Warsaw and for his departure from Cracow. Foreign Minister Beck was present to greet him both on his arrival and his departure. On the day of his departure, many other high officials and officers came to the station too. General Göring took his leave in an atmosphere of marked cordiality.

On the day of his departure, General Göring had a talk lasting for more than two hours with M. Beck, in which all current questions of foreign policy and of Polish internal policy were discussed. In the course of this talk M. Beck again pointed out that the position of the Polish Government was perfectly safe, that the consistency of future Polish foreign policy had been ensured, and that, above all, there would be no changes in respect of German-Polish relations. General Göring told me that, in brief, the upshot of this conversation was that if the present friendly contact between the two Governments were maintained he would have no fears for the future of German-Polish friendship. On the other hand, he had become convinced that, even if German-Polish relations were improved, the alliance with France would still be kept up as a sort of additional safeguard. With regard to the voting in Geneva,⁵ M. Beck emphasized above all that by his vote he had exerted a weakening influence on the construction and importance of the Franco-Russian pact.⁶ As for Laval's visit,⁷ as far as I could gather from what General Göring told me, no statements necessitating either an elaboration or an alteration of the account which I gave in my report No. 816 of May 15 [*sic*: 14]⁸ of this year have been made about this.

Signed in draft: VON MOLTKE

Certified: BRANDTNER

Clerk of the Chancery

³ General of Division Kazimierz Sosnkowski, Army Inspector since 1927.

⁴ General Casimir Fabrycy, Inspector of Infantry of the Polish Army.

⁵ See Editors' Note, p. 65, and documents Nos. 41 and 49.

⁶ See document No. 70.

⁷ Evidently a reference to Laval's earlier visit; see footnote 2 above.

⁸ Document No. 88.

No. 99

9144/E642911-15

The Minister in Czechoslovakia to the Foreign Ministry

A III 2 e

PRAGUE, May 22, 1935.

Received May 23.

II Ts. 987.

Subject: The parliamentary elections.

One is already accustomed to a good deal here where the publication of the official figures of election results is concerned. But probably never before has the official machinery worked quite so slowly and cumbrously. Indeed, there even seems to be some deliberate intent: efforts are being made to convey to the people bit by bit certain unpleasant results of the elections so as to prevent too much excitement.

I. The Sudeten Germans

The great sensation of the day, of course, is Henlein's¹ tremendous victory in the Sudeten German camp. Of 1·8 million Sudeten German votes he united 1·2 million on his list. He will have forty-four seats in the Chamber of Deputies, while the rest of the German parties will have to be satisfied with twenty-two, that is to say half their present number of deputies.

This is also from our point of view a very gratifying result, regardless of whether or not the Henlein party is really as close to our political ideas as it is still assumed to be in some Reich German circles. This does not greatly matter at the moment; the decisive point is that for the first time in their history two-thirds of the Sudeten German community have consolidated themselves into one bloc. Hitherto there have been three categories of Sudeten Germans: those in the Government, those who would have liked to be there and those who formed the opposition. In these circumstances it was easy for the Czechs to cripple the influence of the German parties by playing them off one against the other. In future they will be confronted only by one large German party, for the three much-shrunken rump parties hardly count any longer.

This change must naturally not be overrated; a minority is always a minority and cannot exert a decisive influence on Government policy. But it can, nevertheless, tip the balance in some questions; one need only bear in mind a future election of the State President.

¹ Konrad Henlein, Chairman of the Sudeten German Party; the Legation in Prague reported in despatch A III 2 f of May 2 (9144/E642907-09) that this party had been so renamed, since its former name of "Sudetendeutscher Heimatfront" had been banned by the Government; it was to fight the election in alliance with the Carpathian German Party [*Karpathendeutsche Partei*].

And if the Henlein party pursues a clever and courageous policy and remains united, it could frequently become quite a source of embarrassment to the Government and gain many an advantage for the Germans.

Of course there is some food for thought in all this when one looks at the future party deputies. At the head there are a few old parliamentarians such as Rosche and Peters who are basically not Sudeten-front people at all but simply opportunist politicians; then a few men seeking the limelight such as Kundt² and Neuwirth,³ and finally plenty of young people, partly adherents of the *Kameradschaftsbund* and partly leaning more towards National Socialism. As regards their attitude to the Czechoslovak State, practically all shades are represented in the party, ranging from implicit loyalty to absolute rejection. It will require a very firm hand to keep this conglomeration together, especially as their leader Henlein has no Government powers at his disposal.

It would be idle to try and predict what the Czech attitude will be to this change in the German camp. For the moment they do not themselves know, and Beneš, whose word is always in the last resort decisive, has only today returned from his country estate and from his talk with the Austrian Minister von Berger.⁴ For the present, fury and dismay prevail amongst the ranks of the Czechs. It is significant that late yesterday afternoon, when the news broke that Henlein's party had obtained more votes than the strongest Czech party, the public in Wenceslas Square, which had before been moving along quietly, fairly exploded. Crowds of people formed everywhere, curses were hurled at the Government and order had to be restored with the aid of police truncheons.

There is danger, which must not be underrated, in the scale and unexpectedness of Henlein's victory. The thought that the Germans will in future exert greater influence on the State—*náš stát*, our State, as the Czechs say—stirs up again all the old feelings of hatred amongst the Czechs, irrespective of party; the repercussions are unpredictable. "Poor man! He succeeds too well!"⁵—so the Polish Minister said to me yesterday with regard to Henlein. That Henlein is not labouring under any illusions about these matters is shown by the three telegrams to the President, the Minister President and the Minister of the Interior, copies of which are attached.⁶ In thus taking his stand on the Constitution, which, as we all know, was adopted without [reference

² Dr. Ernst Kundt became Chairman of the Sudeten German Party's Parliamentary Club.

³ Dr. Hans Neuwirth, Sudeten German lawyer, who had been engaged in pan-German and National Socialist political activities in Austria and Czechoslovakia since the end of the First World War.

⁴ See document No. 111.

⁵ In French in the original.

⁶ Not printed (9144/E642916-19).

to the Germans, he is doing something which no German party leader has so far dared to do and which is certainly not altogether approved throughout the rank and file of his people.

The greatest danger for Henlein at the moment is the Reich German press. Every word of satisfaction about his success, or of approval or encouragement, appearing in it, is picked out by the Czechs and served up as conclusive evidence that the whole movement has a Reich German background. Today Sudeten Germans repeatedly asked me to advise our press to show the greatest moderation and even a certain measure of indifference.

II. The Czechs

The effect of the election on the Czech parties is much less far-reaching. It is certainly, at first, surprising that the Government coalition should be left in a minority; they have lost nine seats held by the Czech parties and seventeen seats held by the German [pro-] Government parties. But they will find it difficult to regain a majority by taking into the Government the Czech Small Traders' Party [*Gewerbepartei*] who are already at the gates and who in any case fought the elections with Agrarian Party funds. This party, in which clearly many of the lower middle class took refuge in these hard times, surprisingly increased its seats from twelve to seventeen. Judging by the Czech press, it appears to be intended to retain in the Government the Ministers of the German Activist Parties (Social Democrats, Small Farmers), although they are now only represented by eleven and five deputies respectively. I certainly consider it impossible that Minister Spina⁷ is capable of this betrayal of the German community. If, of course, the Slovaks, with their twenty-two seats, could be won over for the Coalition, which is highly improbable, the Germans would be jettisoned, since the Slovaks have no wish whatsoever to sit in Cabinet with the Germans.

The National Union (*Kramař-Stříbrný*) did poorly. It appears that it has indeed a fairly large following in Prague but not in the country. On the other hand Gajda with his Fascists, who enjoy no great respect, has, surprisingly, managed to win six seats.

Despite the extreme pressure exerted against the Communists here, they have increased their vote by almost 100,000 and have won thirty seats.

The election results, of which I enclose the published summaries,⁸ are not yet complete; no figures at all are yet known for the Senate. But such further results as are still to come in will probably not significantly change the general picture. I shall report again on this, if necessary.

⁷ Czechoslovak Minister of Public Health; Leader of the German Agrarian Party.

⁸ Not printed (9144/E642920-22).

Elections will be held next Sunday for the self-governing corporations [*Selbstverwaltungskörper*] whose repercussions locally will in many places be of considerable significance.

DR. KOCH

No. 100

7790/E561016-21

*Unsigned Memorandum*¹

TOP SECRET MILITARY

SK 13/35 GKds. II Ang.

(Previous document: M 134/35 GKds.)²

BERLIN, May 23, 1935.

Copy No. 8.

DIRECTIVES FOR THE PRELIMINARY DISCUSSIONS ON THE 1935 NAVAL CONFERENCE

(1) Principles which are not for discussion:

(a) Qualitative German equality of rights as regards all types of vessels, fortifications, weapons etc., and consequently the abolition of Part V of the Treaty of Versailles relating to the Navy, and of the provisions in Part III relating to Heligoland.

(b) The fixing of the German fleet establishment at 35 per cent³ of the displacement of the British fleet, taking the British treaty displacements as a basis. (Note: The treaty strength permits us the higher tonnage as regards capital ships; in the other classes of vessels it corresponds to the construction programme drawn up by us.⁴ In any case it only applies until the end of 1936 by reason of the expiry of the Treaties.⁵ After that the British strengths laid down by the new Convention should serve as the criterion. If no Convention should be achieved, then the actual British strength should serve as a criterion.)

Should it be laid down in the Convention at present under negotiation that the present British strength shall at some later date be decreased, then until that date the present British strength shall be taken as the basis on which our 35 per cent is calculated.

(c) Germany's readiness for such *limitations of naval armament* as all naval Powers may, on the basis of the negotiations conducted

¹ The document here printed is contained with other reference papers in a file entitled "Material for London".

² Not found.

³ Marginal note: "*Enclosure*: Calculation of the 35 per cent (a) according to the actual strength of the British fleet, (b) according to the displacement fixed by the Treaties of London and Washington." The actual enclosure has not been found but the calculations concerned are contained among reference materials (7790/E560975-82) earlier in the file.

⁴ See footnote 10 below.

⁵ British naval strength was governed by (i) the Treaty between the British Empire, France, Italy, Japan and the United States of America for the Limitation of Naval Armament, signed at Washington, Feb. 6, 1922, for the text of which see League of Nations: *Treaty Series*, vol. xxv, pp. 196-227, and (ii) the London Naval Treaty (see document No. 60, footnote 4).

during the 1935 Naval Conference, undertake to carry out at the same time (methods of limitation, size of vessels, calibres, abolition of submarines etc.); on the other hand, non-acceptance of any provisions concerning building holidays and the like such as would impede the expansion of the German fleet while leaving the heavily armed Powers—if only for a limited period—in possession of their naval establishments.

(2) Should the new Convention provide for a reduction of the size of the various classes of vessels (e.g. ships of the line to 25,000 tons, cruisers to 7,000 tons), the case would arise that, although all Powers would in future only be allowed to build vessels of this tonnage, the other Powers would, in contrast to Germany, possess—at least for a certain time—the more powerful types of vessels which they had possessed all along and would thus for the time being continue to be in advance of us qualitatively. Germany must reserve the right to demand compensation for the disadvantage which provisions of this kind would impose on her. What form such compensations would in each case take can only be decided once it is possible to see in detail what form the new Convention will take.

(3) By fixing the German displacement at 35 per cent of the British the superiority of British naval interests will be fully recognized. We shall refrain from demanding to have the German displacement fixed at a certain proportion of the French (as a Navy amounting to 35 per cent of the British strength will at present meet our requirements in relation to France, at least as regards the category of capital ships).

(4) Any attempts to take the requirements of the *Baltic Sea* area alone as a basis for our sea power will be *entirely unacceptable*. Such attempts would have to be *most sharply* rejected as being in conflict with the principle of equality of rights and as entirely ignoring the defence requirements of Germany's North Sea coast and the major trading centres situated there. Our maritime requirements⁶ in the *North Sea* must be set forth in so vigorous and convincing a manner that Britain will not be able to ignore our arguments, precisely because we shall be using the very arguments which she employs to justify her own demands (protection of supplies coming by sea, the vital importance of these supplies and the fact that our position as regards naval strategy is definitely unfavourable).

(5) *An overall tonnage* would be more favourable for us than one itemized by types (divided into categories), as the former would give us complete freedom to allocate it among the various classes of vessels. An overall tonnage should be demanded if it is conceded to the larger Navies of the Continent of Europe. If a settlement by categories should be agreed, then efforts should be made to achieve the greatest

⁶ Marginal note: "Enclosure: Maritime requirements" (7790/E561026-33).

possible latitude to distribute the tonnage among the individual categories. (Examples: The London Treaty, the Rome draft agreement of 1933⁷ and the MacDonald Plan;⁸ the latter two drafts provide for full freedom of distribution between B-class cruisers and destroyers.) The question of laying down in detail *figures* for the *number* of vessels of individual types to which we are entitled should not be discussed, as conditions might change with time and, in consequence, we might be committed to an unsatisfactory construction programme.

Any attempt to include our already existing special vessels *Grille* and *Bremse* in the tonnage for cruisers or destroyers, on the grounds that they exceed the definition of "exempt ships" contained in the London Treaty, should be rejected. Reason: the provisions concerning "exempt ships" have so far not applied to us. On the contrary, these vessels should be placed on a list of "Ships for Special Purposes" in accordance with Annex III of the London Treaty.

(6) Compensation is to be demanded for the fact that, under the Treaty of Versailles, we possess vessels of inferior types, e.g. inclusion of the three 10,000-ton armoured vessels in the category of 10,000-ton 20-cm. gun A-class cruisers (Note: this will only apply if the 10,000-ton A-class cruiser should be abolished in future), or earlier replacement dates or a certain freedom of distribution [of tonnage] amongst the individual classes of vessels or additional allowances to round off the tonnage figures for one or other of our categories, which would permit us to build a further unit.

(7) If an increased submarine establishment should be allotted to all the larger naval Powers generally, as was provided for in the London Treaty (and also in the Hoover Plan), then Germany would also share in this settlement.

(8) As long as the Washington and London Treaties remain in force ([until] December 31, 1936), Germany will abide by the provisions contained therein, and will in part keep well below the maximum. See Annex 1,⁹ "1935 Construction" (for further plans for the interim period before December 31, 1936, see paragraph (10)). From January 1, 1937, Germany will construct capital ships of the type laid down for all Powers at the 1935 Naval Conference.

(9) The size of the Budget estimates and financial questions are internal German affairs, discussion of which should be refused.

(10) Should the British enquire as to the date by which the 35 per cent is to be realized, the reply should be: Between 1942 and 1946, depending on financial and shipyard conditions and other factors which cannot as yet be foreseen. A construction programme cannot

⁷ This reference is uncertain, but see *Documents on British Foreign Policy*, Second Series, vol. iv, Appendix III.

⁸ See vol. I of this Series, document No. 90 with footnote 1 thereto.

⁹ See footnote 10 below.

be submitted until the other Powers do the same. The plans for 1935 and 1936 (Annexes 1 and 2)¹⁰ may, on the other hand, be communicated to the British at an appropriate moment.¹¹

(11) Since the war Britain has consistently been striving for the limitation or outlawry of submarine war on commerce, as well as the abolition of submarines.

At the conversations she will very probably ask us, too, what are our views on this problem. In this case our reply should be as follows:

Germany would welcome a general humanization of war on commerce such as is attempted in the 1922 Washington draft and as is to some extent achieved in Part IV of the London Agreement. Germany subscribes to the general principle that all provisions in the sphere of armaments should be *general and applicable to all*. In order to further the British efforts for a more humane conduct of war and as further proof of her peaceful intentions, *Germany declares herself willing to accede at once to Part IV of the London Agreement*, even if it should not prove possible to achieve general agreement on the part of the other Powers concerned.

¹⁰ Not printed (7790/E561022-23); these annexes formed the basis of the documents subsequently handed to the British on June 19; see Editors' Note, p. 250, paragraph vi. Enclosure 3 (7790/E561024) gives the consolidated construction programmes for 1935-1942.

¹¹ Paragraph 10 as here printed is pasted over an earlier version which reads: "Should the British enquire as to the date at which the construction of the proposed German fleet is to be completed, the reply should be: probably at the end of 1942 unless the political and military situation should demand speedier completion. The construction programme for 1935 and 1936 (Annexes 1 and 2) may be communicated to the British at an appropriate moment. The reply to any questions about a possible further construction programme should be that the date for this will be lacking until a new Naval Convention has come about. If, however, the British Admiralty should be in a position to provide us with such data, Berlin will be asked to furnish a construction programme on the basis of this information."

No. 101

6680/H096284-85

The Director of Department IV to the Legation in China

Telegram

No. 22

BERLIN, May 24, 1935—7:05 p.m.
zu [*sic*]¹ IV Chi. 996.

For your information and guidance on language to be held.

Klein will get in touch with Marshal Chiang Kai-shek in the near future in order to settle all questions, especially concerning Canton. The basis of his conversations will be:

- (1) Klein will transfer his work from Canton to Nanking.
- (2) The Canton plans will be gradually abandoned. No arms what-

¹ The document here printed is the only one registered in the journal under the number IV Chi. 996, but see also document No. 94.

ever will be supplied to Canton. Whether and to what extent the installation of certain plant in Canton will still be carried out will remain subject to agreement with Chiang Kai-shek.

(3) The military advisers in Canton will be gradually withdrawn, provided Chiang Kai-shek does not wish them to remain in Canton. Circumstances permitting, they will be absorbed into the staff of General von Falkenhausen.

You should assist Klein over the Nanking plans.

You should inform Shanghai and Canton.²

MEYER

² The document here printed was initialled before despatch by Reichenau, Neurath and Bülow.

No. 102

2368/494123-25

Memorandum by the Foreign Minister

BERLIN, May 24, 1935.

RM 436.

The British Ambassador called on me today and asked me to clarify various points in the Führer's speech.¹

(1) The British Government would like to know what the Chancellor meant when he said in point (1) that the League of Nations, to which the German Government might possibly return, would have to be constituted on the basis of parity of esteem [*Gleichbewertung*] and equality of rights [*Gleichberechtigung*] of all the members and, furthermore, that this equality of rights must extend to all functions and all property rights in international life.

In reply I told the Ambassador that this meant that no differentiation, either *de jure* or *de facto*, would be made between the individual members of the League of Nations. The Ambassador asked for a more detailed definition.

(2) The British Government asked to be informed whether the statement in point (2) of the speech, namely, "the German Government will therefore unconditionally respect the articles concerning the co-existence of the nations in other respects, including the territorial provisions", meant that, apart from Part V of the Treaty of Versailles,² all other provisions of the Treaty still in force would be recognized.

I told the Ambassador in reply that it was surely clear from this wording that the term "respect [*Respektierung*]" applied to all the clauses concerning the coexistence of nations. The Ambassador asked for a more detailed definition on this point too.

¹ See Editors' Note, p. 171.

² i.e., the Military, Naval and Air Clauses.

(3) The Ambassador then wished to know what we intended to do in the question of the Eastern Pact.

I replied that the Russians and the French had announced to us proposals which we should first like to await.

(4) The Ambassador further asked whether the figure, mentioned by General Göring to the British Air Attaché, of 2,000 operational aircraft of the French air force, included only the French home-based air force or also the aircraft stationed in North Africa.

I replied that I could not give him an answer to that.

(5) The Ambassador then asked whether we still persisted in our demand for parity with the air forces of the Western Powers. I said that this was the case.

(6) The Ambassador asked for a draft of an air pact for the Locarno Powers, as proposed in the London communiqué. I promised to let him have such a draft soon.

(7) Finally, the Ambassador also wanted to know whether the statement in point (8) of the speech, that the German Government were ready at any time to limit their armaments to any degree that was also adopted by the other States, also implied the possibility of a reduction in the effective armed strength of 550,000 men.

I pointed out to the Ambassador that to raise this question would immediately provoke another discussion about the proportional strengths of the individual States. As the negotiations in Geneva had shown, it was not possible to reach agreement on this. I therefore warned him strongly not to broach this question. The means by which, in our view, the armaments of the States could be limited or reduced had been dealt with extensively in point (9) of the Chancellor's speech. The figure of 36 divisions, which we had given as the necessary size of our Wehrmacht, was unalterable.

V. N[EURATH]

No. 103

8828/E614482

Memorandum by the Director of Department IV

BERLIN, May 24, 1935.

e.o. IV Po. 3497.

I called on the Reich Finance Minister, Count Schwerin-Krosigk, again¹ today and explained, with reference to the outcome of the high-level conference of May 20, that Danzig could not be held by means of the measures set forth in the minutes.² I referred especially to the

¹ Meyer's memorandum of May 15 on a conversation that day with Schwerin von Krosigk is not printed (5552/E394603).

² See document No. 97, enclosure.

serious political and economic consequences of a possible introduction of the Zloty, which would force the whole Danzig economy into dependence on Poland and which would entail the transfer of the most important branches of the Danzig administration to Poland. I reiterated my proposal that a financial and economic dictator be appointed and that, through retrenchments elsewhere, a certain amount of foreign exchange be made available.

Herr von Krosigk conceded the soundness of my statements, especially about the political consequences of an abandonment of Danzig by Germany, but still remained pessimistic about the possibility of allocating foreign exchange. He informed me that he had instructed Oberregierungsrat Burmeister³ to go to Danzig to study the financial situation of the State and the City and to make proposals for economies.⁴ He had had the full powers for Herr Burmeister signed by Minister President Göring too.

I told Herr von Krosigk that I would see Herr Schacht and Herr von Blomberg, and would try to get the solution outlined above accepted.

MEYER⁵

³ Of the Reich Finance Ministry.

⁴ A minute, dated May 27, recording a telephone conversation between Burmeister, then in Danzig, and the Reich Finance Ministry, in which Burmeister described the financial situation in Danzig, was sent on by Schwerin von Krosigk to the Foreign Ministry (5552/E394558).

⁵ Marginal note: "Discussed with the R[eich] M[inister] and St[ate] S[ecretary]. To be filed. M[eyer]."

No. 104

7468/H182958

*Ambassador Phipps to Foreign Minister Neurath*¹

IMMEDIATE
(239/22/35)

BRITISH EMBASSY,
BERLIN, May 24, 1935.
Received May 25.
II R 1282.

DEAR BARON VON NEURATH: In the course of an informal conversation on May 22nd² with Admiral Raeder, I expressed the hope that the German Government would send their experts to London for the naval conversations as soon as possible.

I have now heard from my Government that they are most anxious to lose no time in beginning these conversations, and I have accordingly been instructed to enquire of Your Excellency what is the

¹ This document is in English in the original.

² No other record of this conversation has been found.

earliest date on which it would be convenient for the German Government's representatives to proceed to London.³

Yours etc.,

ERIC PHIPPS

³ Marginal note: "The Ambassador repeated the request orally. v. N[eurath], May 24."

In a minute dated May 25 (2368/494146) Dieckhoff recorded that the British Ambassador, whom he had met the previous evening at a dinner, had stressed that talks should begin during the next week at the latest. Bismarck had also telephoned him from London, at the request of the Ambassador, to emphasize the importance which the British attached to an early start of the talks.

A minute by Frohwein attached to the document here printed and dated May 28 (7468/H182959) reads: "Since the despatch of this letter, Herr v. Ribbentrop has informed the British Ambassador that the naval delegation will time their arrival in London so that the conversations can begin on the morning of June 4. The matter is thus settled. On instructions from the Foreign Minister the letter is not to be answered."

In a minute addressed to Neurath and also dated May 28 (2368/494145), Ribbentrop recorded that Phipps had informed him by telephone that the British Government agreed with the proposal to start the conversations on June 4. Phipps had also agreed that a press release on the date of the conversations and on the composition of the German delegation ought to be issued simultaneously in London and Berlin on May 29.

No. 105

6695/H103150-56

*Circular of the Foreign Ministry*¹

BERLIN, May 25, 1935.

e.o. IV Ru. 1988.

With reference to despatches IV Ru. 1777 of May 7² and IV Ru. 1725 of May 6.³

I venture to enclose for your information a German translation of the text of the Treaty of Mutual Assistance between Czechoslovakia and Russia of May 16, 1935, together with the Protocol of Signature, as published in *Izvestia* of May 18.⁴

The Czech-Russian Agreement admittedly comes after the Franco-Russian Agreement in time, but together they form a single political and military instrument. In view of Czechoslovakia's geographical position, this event is of decisive importance for us. It has already repeatedly been pointed out in the foreign press that Czechoslovakia would be the deployment zone for the Russian forces, particularly for the air force, and that arrangements for this should be begun in peace time (building of airfields, etc.). Nor should it be forgotten that the

¹ Addressees were (1) the Missions in London, Rome, Paris, Moscow, Warsaw and Brussels, (2) the other diplomatic Missions in Europe (except that to the Holy See and those in Dublin and Lisbon), the Embassies in Ankara, Peking, Tokyo and Washington, the Consulate General in Danzig and the Consulate at Geneva.

² See document No. 72 and footnote 3 thereto.

³ Not printed (6695/H102765-74).

⁴ Not reprinted (6695/H103173-79); for the text of the Czechoslovak-Soviet Pact of Mutual Assistance, signed in Prague on May 16, 1935, ratifications exchanged on June 9 in Moscow during a visit by Beneš, see League of Nations: *Treaty Series*, vol. CLIX, pp. 347-361.

Russian air force could be moved into Czechoslovakia while the League of Nations machinery was still in operation, and there be kept ready to render assistance if required. A phrase used by the French about Czechoslovakia being Russia's aircraft carrier is an apt description of the whole situation. It is also worthy of note that, simultaneously with the conclusion of the Mutual Assistance Agreement in Moscow, an agreement has been concluded for a regular air service between the two capitals, though the creation of such an air route is hardly justified by the volume of traffic. It is typical that the route crosses Rumania, through which it is apparently proposed that the Russian forces, particularly the Russian air force, should advance.

In your conversations you should show up Czechoslovakia's conduct towards us for what it really is, and establish unequivocally the responsibility which she has taken upon herself. The general political standpoint from which we view the Treaty, a legal analysis of which is enclosed for your information,⁵ follows from the Führer and Chancellor's latest speech.

I should like in particular to mention the following points for your guidance:

Germany, in accordance with her overall peace policy, which has recently been set forth once again by the Führer and Chancellor, has always desired peaceful, correct and neighbourly relations with Czechoslovakia. We have given Czechoslovakia no cause whatever to feel herself threatened by Germany. If, in spite of this, the Czech Government have seen fit to enter into a treaty with Russia directed against Germany, they have assumed a heavy political responsibility and have created a serious danger. She [Czechoslovakia] will now necessarily become involved in any conflicts arising in the East, whereas previously she was only bound by treaty to render assistance in the event of a conflict between Germany and France.⁶ Czechoslovakia cannot shake off this responsibility by arguing that she will only be obliged to render aid against Germany in the event of Germany herself being the aggressor. Quite apart from the building of military bases for the Russian air force which appears to be projected, the fact that, although Germany has no aggressive intentions towards her, Czechoslovakia is publicly taking measures against a possible German attack, is not conducive to the improvement of relations and the increase of mutual confidence. But, apart from this, there is the fact that, under the terms of the Franco-Russian Treaty, the decision, in any conflict between Germany and Russia, as to which was the

⁵ Not printed (6695/H103180-81).

⁶ For the text of the Treaty of Alliance and Friendship between France and Czechoslovakia, signed at Paris, Jan. 25, 1924, see League of Nations: *Treaty Series*, vol. xxiii, pp. 163-169; for the Treaty of Mutual Guarantee between France and Czechoslovakia, done at Locarno, Oct. 16, 1925, see *ibid.*, vol. liv, pp. 360-363. See also Gamelin: *Servir*, vol. II, pp. 468-469.

aggressor would in practice depend on the French Government alone, so that Czechoslovakia, as is clear from the terms of her treaty with Russia, has in fact undertaken to accept any French decision.

If the Führer and Chancellor's fresh declaration regarding the Reich Government's willingness to conclude non-aggression treaties with its neighbours individually should be brought up in connection with Czechoslovakia, you should bear in mind that we are not in the least concerned to give the impression that *we* desire any such political agreement with Czechoslovakia. There still remains no question whatever of any initiative on our part.

By order:
MEYER

No. 106

7846/E569268-72; 74-76

The Foreign Minister to the Embassy in Great Britain

IMMEDIATE

BERLIN, May 25, 1935.
e.o. II R 1260 Ang. I.

The following instructions should only be carried out on special orders by telegram or telephone.¹

You should now refer to the statements, made to Simon in accordance with our instructions by telegram No. 93 of May 8,² that we would give our reply to his request for a draft Western European Air Pact after the Führer and Chancellor's pronouncement,³ and should personally communicate the enclosed draft treaty, together with the attached French translation,⁴ to the British Government.

In explanation of the draft, you should add the following orally:

The West European Air Treaty as suggested in the London Communiqué⁵ is in the nature of a supplement to the Locarno-Rhine Treaty.⁶ It will therefore be desirable at the same time to settle the question of the probable effects upon the Locarno system of our withdrawal from the League of Nations.⁷ As we have already repeatedly told the British, and as is made clear in today's despatch concerning

¹ See footnote 12 below.

² Document No. 77.

³ See Editors' Note, p. 171.

⁴ The French translation is not printed (7846/E569277-79).

⁵ Of Feb. 3, 1935; for the text see British Blue Book, Cmd. 5143 of 1936, No. 5; see also vol. III of this Series, documents Nos. 479, 483, enclosure, and 490.

⁶ For the text of the Treaty of Mutual Guarantee between the United Kingdom, Belgium, France, Germany and Italy, done at Locarno, Oct. 16, 1925, see League of Nations: *Treaty Series*, vol. LIV, pp. 289-301.

⁷ In a letter dated Oct. 19, 1933 (8692/E607636), Neurath officially notified the Secretary General of the League of Nations of Germany's withdrawal from the League. Article 1 of the Covenant of the League of Nations, to which Neurath referred in his letter, required two years' notice to be given of intention to withdraw, and Germany's withdrawal therefore became effective on Oct. 20, 1935.

the Franco-Soviet Treaty of Alliance—V 7474⁸—our withdrawal from the League of Nations would leave the Locarno Pact substantially unaffected. Only one technical difficulty would have to be overcome, namely, that the Locarno-Rhine Pact provides for certain decisions and recommendations by the League of Nations Council, which gives rise to the question of whether and in what way the Council could act in such cases without Germany. Article 1 of the draft is intended to overcome this difficulty as regards both the Locarno-Rhine Pact and the Western European Air Pact.

Articles 2 and 3 of the draft contain all that we consider the Pact should contain as regards an obligation to render assistance and the putting into operation of mutual assistance.

Article 4 of the draft is based on the principle that the Air Pact should guarantee equal protection to all signatories. Subsidiary agreements between individual signatories would upset the Pact's internal equilibrium. Here we base ourselves on the arguments which, according to your report A 1558 [*sic*: A 1538] of May 4,⁹ you have already put to Sir John Simon. I would add for your information that the question of subsidiary agreements has already become highly delicate in consequence of the discussions between the French Air Minister, Denain, and the Italian Government in Rome (see despatch II R 1198 of May 21, 1935).¹⁰ Nevertheless, we must abide by the proposal as contained in Article 4 of the draft, particularly since we have never recognized the passages concerning these subsidiary agreements in the Stresa resolution of April 14.¹¹ In any case, this passage can also be taken to apply to other questions, e.g. the exclusion of mutual assistance as between Britain and Italy.

The British may object that Article 1 of our draft would sanction our final withdrawal from the League of Nations, whereas their aim is to induce us to return. If so, you should say that the draft leaves the question of our return to the League of Nations completely open. The Führer and Chancellor has once again defined our attitude on this question in his speech.³ As things stand, one cannot expect any further light to be shed on the League of Nations question before October of this year at the earliest. It would, therefore, be in everyone's interest if all doubts as to the smooth functioning of the Rhine Pact could be removed from the outset. Should we return to the League of Nations, the clause would of course become irrelevant.

When communicating our draft of the Western European Air Pact you should draw the British Government's attention to the Führer and Chancellor's observations in his speech to the Reichstag of May 21 (Point (8) in the summing-up at the end), that "the limitation of

⁸ Document No. 107.

⁹ Document No. 68.

¹⁰ Not printed (8808/E613672-74); General Denain visited Rome May 10-14, 1935.

¹¹ See document No. 33 and footnote 3 thereto.

German air armaments to parity with the other Western Great Powers makes it possible at any time to fix a maximum figure which Germany will be under a binding obligation to observe with the others." We must leave it to the other side to take the initiative in opening negotiations as to this joint maximum figure. We for our part can leave open the question of whether these negotiations should be made to coincide with the Western European Air Pact discussions or not.

The same applies to the Führer and Chancellor's remarks in Section (9) of the concluding part of his speech about the abolition or limitation of bombing. Here, too, we must leave it to the other side to take the initiative.

We shall inform the other Powers interested in the Western European Air Pact (Belgium, France, Italy) that we have handed a draft to the British Government, but that we do not intend to give them a copy.¹² We have, however, no objection to the British Government sending these Powers our draft, provided they transmit to us any drafts submitted to them by these countries.

We request that our draft be not communicated to the press.

NEURATH

[Enclosure]

DRAFT

OF A PACT BETWEEN THE WESTERN EUROPEAN POWERS TO REINFORCE THE LOCARNO TREATIES AND TO PREVENT AIR ATTACKS

The German Reich Chancellor, His Majesty the King of the Belgians, the President of the French Republic, His Majesty the King of Great Britain, Northern Ireland and the British Dominions Overseas, Emperor of India, His Majesty the King of Italy:

Being convinced that it is of the greatest importance for the maintenance of peace in Europe that the full efficacy of the Locarno Treaties signed by them should be upheld,

Impelled by the desire to strengthen the guarantees given to their countries by these treaties by providing against the special dangers of sudden aerial attacks,

Have resolved to this end to conclude a Treaty and have named as their plenipotentiaries:

The German Reich Chancellor

.....
.....

who, having exchanged their full powers, found in good and due form, have agreed upon the following provisions:

¹² Copies of the document here printed and of its enclosures were sent to Paris, Rome and Brussels on May 25 (7846/E569272-73). On May 27 these Missions and that in London were instructed by telegram (8757/E610836) to carry out the instructions contained in the document here printed and in document No. 107. On May 31 copies were sent for information to the Missions in Moscow, Berne and the Hague (8757/E610838).

Article 1

The High Contracting Parties reaffirm the full validity of the Treaties of Locarno signed by them.

Should Germany withdraw from the League of Nations in accordance with Article 1, paragraph 3, of the Covenant as a result of the German Government's declaration of October 19, 1933, to the Secretary General of the League of Nations,⁷ the other High Contracting Parties will take steps to ensure that Germany is accorded the opportunity to participate on equal terms in all deliberations and resolutions of the Council of the League of Nations in any case in which the said Council shall be concerned with these provisions in accordance with the terms of the Locarno Treaties.

Article 2

Should one of the High Contracting Parties be attacked by the air forces of another High Contracting Party without having provoked that attack, then the other High Contracting Parties will at once come to the assistance of the Party attacked with their whole available aerial forces.

Article 3

The obligation to render assistance contained in Article 2 shall come into force for each High Contracting Party as soon as that Party is informed of an attack. In these circumstances it will act in concert with the attacked Party in rendering assistance.

Article 4

In order that confidence in the impartial execution of the above Articles 2 and 3 shall not be diminished, no High Contracting Party shall enter into any special agreement with any other High Contracting Party for the carrying out of the obligations laid down in these two Articles.

Article 5

This Treaty shall remain in force for as long as the Treaties of Locarno signed by the High Contracting Parties shall remain in force.

No. 107

8753/E610647-58

The Foreign Minister to the Embassies in (1) Great Britain, (2) France and (3) Italy, and to (4) the Legation in Belgium

BERLIN, May 25, 1935.

V 7474.

The following instructions should only be carried out on special orders by telegram or telephone:¹

I enclose herewith two copies of a Memorandum setting forth our attitude to *the relationship of the Franco-Russian Treaty to the Rhine Pact of Locarno*. You should personally hand one copy of this Memorandum and of the attached translation² to the Government to which you are accredited as soon as possible, and should give appropriate explanations, bearing the following points in mind:

The general political background against which we should set the Franco-Russian Treaty is laid down in the Führer and Chancellor's latest speech. The Memorandum deals with a specific question which, although it was in fact mentioned in the speech, we must raise separately and formally through diplomatic channels in order effectively to forestall a one-sided and, in our opinion, mistaken interpretation of the Rhine Pact of Locarno.

Judging by recent comment in the French press, we must reckon with the possibility that our step, in conjunction with the Führer and Chancellor's statements on this point, may be interpreted as, or suspected of, being the overture to a German campaign to enable us to withdraw from the Rhine Pact on the grounds that it has been violated by France, and then to treat the provisions concerning the demilitarized zone as void as well. Such plans are far from our thoughts. On the contrary, and precisely because we support Locarno, we merely wish to prevent a cause of undesirable uncertainty from arising.

In the Memorandum we have deliberately refrained from making a specific request nor have we any interest in encouraging far-reaching diplomatic negotiations on the subject raised. The fact that we have registered a protest with the Signatories of the Rhine Pact against its one-sided interpretation by the French is sufficient. It is impossible that the French Government should acknowledge the justice of our arguments, if only because this would force them to amend the Franco-Russian Protocol of Signature. On the other hand it would, of course, be highly undesirable if the Guarantor Powers, particularly Britain, should directly and explicitly confirm the French interpre-

¹ See document No. 106, footnote 12.

² This (French) translation is not printed (8753/E610659-64).

tation. The final sentence of the Memorandum gives the British and Italian Governments an opportunity of settling the whole matter by declaring that, like us, they consider any one-sided alteration or interpretation of the Rhine Pact to be devoid of legal validity.

As for the points of law discussed in the Memorandum, the objection will probably be made that all doubts have been removed by the general reservation in Paragraph 2 of the Protocol of Signature. This view is contradicted in the Memorandum itself, but, if need be, you could make verbal use of the following argument, which we did not mention in the Memorandum itself as it is of a delicate nature: Paragraph 2 of the Protocol of Signature states that the Franco-Russian Pact is not to come into operation in any way which, by conflicting with obligations under previous treaties, would expose either party to international sanctions. This does not offer any absolute security against transgression of the limits for French military operations laid down by the Rhine Pact, if only because the possibility exists, at any rate in theory, of France agreeing with the Guarantor Powers of the Locarno Pact on an essentially false interpretation of the Rhine Pact, thus avoiding any international sanctions. We are certainly willing to trust the good faith of the two Guarantor Powers in carrying out the Treaty; but it is not a question of trust or distrust but simply of the fact that we are faced with a positive clause in the Franco-Russian treaty which, in our opinion, is not compatible with Article 16 of the Covenant of the League of Nations and, consequently, not with the Rhine Pact either, and that we cannot pass this over in silence.

It would be just as mistaken to object that our legal arguments are untenable, if only on the ground that we ourselves had agreed to the automatic functioning of the obligation to render mutual aid in the important contingency envisaged in Article 4 of the Rhine Pact, without previous reference to the League of Nations authorities. The provisions of Article 4 cannot be compared with those of the Franco-Russian Treaty. The fundamental difference is that in the Rhine Pact all the States affected by the obligation to render mutual aid are parties to the Pact itself and have expressly agreed to the arrangements made, while in the Franco-Russian Pact the mutual aid obligations are directed against a Power outside the Treaty.

It is more difficult to answer the objection that it is we ourselves who, by our withdrawal from the League of Nations, have demolished the true foundations of the Rhine Pact structure. But, to start with, this is a point which is irrelevant to the question at present under discussion. Moreover, you could stress that our withdrawal from the League of Nations does not affect either the actual substance of the Rhine Pact or those of its terms which are of practical importance, but at most leaves open the technical question of whether and how

the Council of the League of Nations could act as the Locarno authority in the contingencies envisaged in the Rhine Pact without Germany taking part. For the rest, I would refer you on this point to another despatch of today's date³ on the subject of our draft for an Air Pact supplementing the Rhine Pact, of which you will be able to make use in this connection as indicated in that despatch.

- To (1) The Embassies in Paris and Rome and the Legation in Brussels
 to (2) The Embassies in London and Rome and the Legation in Brussels
 to (3) The Embassies in London and Paris and the Legation in Brussels
 to (4) The Embassies in London, Paris and Rome
 to (1)-(4) are receiving the same instructions.⁴

NEURATH

[Enclosure]

BERLIN, May 25, 1935.

The German Government have taken note of the Treaty signed on May 2 last between France and the USSR. It follows from Paragraph 4 of the Protocol of Signature which accompanies the Treaty that the obligations agreed upon between the two contracting parties, and particularly the obligation to lend mutual assistance, refer only to the case when one of those parties finds itself in armed conflict with Germany. In consequence, the German Government see themselves obliged to consider the question of whether the new Treaty is in harmony with the obligations which one or other of the two contracting parties has assumed towards Germany in consequence of former treaties. The Treaty signed at Locarno on October 16, 1925, between Germany, Belgium, France, Great Britain and Italy, and known as the Locarno Rhine Pact, is especially relevant in this respect.

Under the Rhine Pact of Locarno, Germany and France mutually undertake that they will in no case attack or invade each other or resort to war against each other. The exceptions to this obligation are enumerated and defined in Article 2, Section 2, of the Treaty. Apart from the case of legitimate defence, which can be left on one side in the present connection, these exceptions have the effect of making the renunciation of all attack, invasion or warfare against one another agreed upon by Germany and France inapplicable in the case of

(a) action in pursuance of Article 16 of the Covenant of the League of Nations,

³ Document No. 106.

⁴ On May 27 Bülow sent copies of the document here printed and of document No. 106 to Warsaw (8753/E610666-67), with instructions to communicate the Memorandum here printed to the Polish Government for their confidential information.

(b) action as the result of the decision taken by the Assembly or by the Council of the League of Nations or in pursuance of Article 15, Paragraph 7, of the Covenant of the League of Nations, provided that in this last event the action is directed against the State which is the first to attack.

At first sight the new Franco-Soviet Treaty in its provisions concerning the obligation of the two parties to render mutual assistance against Germany seems in harmony with the exceptions laid down in cases (a) and (b) above. It provides in Article 2 for assistance in the case where Article 15, Paragraph 7, of the Covenant of the League would be applicable and in Article 3 for the case provided for under Article 16 of the Covenant. In addition to these two cases there are also cases not mentioned in the Locarno Treaty, that is to say, those provided for under Article 17, Paragraphs 1 and 3, of the Covenant, an Article which for its part provides under certain defined conditions for the application of Article 16 against a State which is not a member of the League of Nations.

These provisions of the new Treaty which refer to Articles 16 and 17 of the Covenant demand the very particular attention of the Powers signatories of the Treaty of Locarno. All these Powers find themselves faced with the serious question of whether the obligations which France has just undertaken *vis-à-vis* the USSR are within the limits fixed by the Locarno Treaty. The complementary engagements contained in Paragraph 1 of the Protocol of Signature are especially, in the opinion of the German Government, of decisive importance in answering this question. Under the said Paragraph 1 the text reads: It is agreed that the effect of Article 3 is to compel each contracting party immediately to give assistance to the other by complying forthwith with the recommendations of the Council of the League of Nations, as soon as they shall have been made in accordance with Article 16 of the Covenant. It is further agreed that the two contracting parties will take joint action to ensure that the Council issue their recommendations with all the speed required by the circumstances of the case, and that, should the Council nevertheless, for some reason, make no recommendation or fail to reach a unanimous decision, effect shall nevertheless be given to the obligation to render assistance.⁵

It follows from this text that the two contracting parties, before undertaking any action which they intend to base upon Article 16 of the Covenant, will address themselves first of all to the Council of the League of Nations, but that they are, none the less, decided to fulfil the obligations of assistance agreed upon between themselves if, for some reason or other, the Council of the League does not pronounce a recommendation or if it does not reach a unanimous decision.

¹ The passage quoted is in French in the original.

This provision can only be understood in the sense that France claims for herself, in the event of a conflict between Germany and the USSR, the right to take military action against Germany in virtue of Article 16 of the Covenant even if she cannot cite a recommendation or some other decision of the Council of the League of Nations. It seems that, after the departure of Germany from the League of Nations, this course of action is also intended in the case where the decision of the Council regarding the invitation to be addressed to Germany in virtue of Article 17, Paragraph 1, of the Covenant has not been reached. The German Government consider that military action undertaken in such conditions would be outside the scope of Article 16 of the Covenant, and would, consequently, constitute a flagrant violation of the Treaty of Locarno.

The wide scope of the Franco-Soviet understanding in this respect is manifest. It is true that the Treaty lays down that assistance shall be given only in the event of unprovoked aggression on the part of Germany. This event will never occur, for Germany has no intention of taking any aggressive action against the USSR, but, none the less, the problem is not solved, for the decisive point is that France, according to the above mentioned Paragraph of the Protocol of Signature, claims for herself the right in the event of a German-Soviet conflict to decide unilaterally and at her own discretion who is the aggressor, and, in virtue of her decision, to take military action against Germany.

The objections formulated above are not invalidated by the general clause in the second Paragraph of the Protocol, which lays down that this Treaty is not inconsistent with any of the engagements already undertaken by France or the USSR towards third parties and that the provisions of the Franco-Soviet Treaty will not be applicable in the event of one of the contracting parties, by reason of obligations already undertaken, exposing itself to sanctions of an international character. This general clause does not in any way alter the fact that the special clause in Paragraph 1 of the Protocol exists, a clause which, as has been pointed out above, stipulates the contrary in a concrete case, namely, the case of the application of the Treaty of Locarno.

The Treaty of Locarno is fundamentally so important for the relations between the Western European Powers that no doubt, however slight, and no uncertainty, must be allowed to arise as to the interpretations of its clauses. It is for this reason that the German Government have considered it indispensable to communicate the above considerations to the other Powers signatories of this Treaty. They hope that all the Signatory Powers will agree with them in recognizing that the provisions of the Treaty of Locarno cannot legally be modified or defined by the fact that a Treaty has been concluded with a third party by one of the signatories.

No. 108

7881/E570671-73

Memorandum by the Director of Department II

BERLIN, May 25, 1935.

II R 1921.

The Belgian Minister called on me today to ask me several questions about the Führer and Chancellor's speech.¹ Of most interest to the Belgians were, of course, the remarks made by the Chancellor about Locarno. Count Kerchove had taken these remarks to mean that the Reich Government reserved the right to lodge some form of protest on legal grounds, because, in the German view, the Franco-Russian Pact of Mutual Assistance² was not in every respect compatible with Locarno. The Minister referred to the conversation on this question which he had recently had with Ministerialdirektor Gaus and myself.³ Count Kerchove informed me that in Brussels the relevant passage in the speech appeared to have been understood in a different way, namely that, should the attempt to obtain a satisfactory explanation of the relationship between the Franco-Russian Pact and Locarno prove fruitless, the Reich Chancellor reserved the right to take further steps, such as, possibly, denouncing the Locarno Treaty or taking certain military measures. As regards the latter, Count Kerchove pointed out that great disquiet had arisen in Belgium as a result of the alarming news, which had apparently come from Paris, that in several Rhineland towns the barracks, which had already been converted into dwelling-houses, would have to be evacuated at short notice to make room for police units recently transferred there.⁴ I replied that this information was in fact an alarmist rumour emanating from a French source; it was a matter only of some local re-arrangements which were being kept within the limits of the permitted police strengths. Concerning the remarks in the Chancellor's speech about Locarno in connection with the Franco-Russian Pact, the Brussels interpretation as described by the Minister surely went too far.

¹ See Editors' Note, p. 171.

² See document No. 70, footnote 1.

³ In a memorandum of May 15 (6695/H103020-21) Köpke recorded that he and Gaus had that day explained to Kerchove the connection between the Treaty of Locarno and the Franco-Russian Pact, and the resulting legal position, whilst stating that they were merely expressing their personal opinions.

⁴ The reference is to a report, put out by the Agence Radio in Paris and quoted by DNB on May 10 (7881/E570667), that inhabitants of certain houses in several Rhineland towns had been told to leave these as quickly as possible as they were required for barracks. DNB also quoted *L'Information* as stating that officials of the Prussian Finance Ministry had recently inspected barracks in the former garrison towns of the demilitarized zone. Minuting on an enquiry (7881/E570665-66) addressed on May 15 to the Ministry of the Interior, Frohwein wrote that he had been told in reply that several Landespolizei officers had on May 3 and 4 inspected former barracks in Cologne and Bonn which were now in part used as civilian dwellings.

Whether the Reich Government would take any action about this question, and, if so, what, was a matter on which the Chancellor had not yet made a decision. I assumed that one might certainly be expected soon. In my opinion, the Minister's view that it would be a matter of lodging some form of legal protest, and nothing more, was quite correct.

Count Kerchove then asked what was implied by the statement contained in point 2 of the speech. This passage, as I knew, ran as follows: "The German Government will, therefore, unconditionally respect the other articles regarding the coexistence of the nations, including the territorial provisions." Did this mean that Germany was once again expressly recognizing the Treaty of Versailles with the exception of Part V,⁵ or should the Chancellor's words be taken to mean that for us Part V was in any case a dead letter, but that, on the other hand, those clauses in the Treaty of Versailles which concerned the coexistence of the peoples (and only those) would still be recognized by Germany as legally binding?

In accordance with the information which the Foreign Minister gave the British Ambassador yesterday,⁶ I told the Minister that the latter was the case. The wording meant that all articles of the Treaty of Versailles relating to the coexistence of the nations would be respected. The Minister remarked that one could not get very far with this definition. I replied that one would certainly know where one was in each individual case.

Count Kerchove professed himself satisfied with this evasive answer, and concluded his remarks with the assurance that the speech had made an excellent impression in Belgium and had had a definitely calming effect.⁷

KÖPKE

⁵ The Military, Naval and Air Clauses.

⁶ See document No. 102.

⁷ In a letter of May 28 (7881/E570674-76) Köpke informed the Belgian Minister that administrative officials of the Landespolizei and a Landespolizei Colonel had visited the demilitarized zone at the beginning of May with the aim of bringing together scattered formations of the Landespolizei and providing better accommodation. There was no question of increasing the strength of the police formations in the demilitarized zone.

No. 109

8069/E579306

The Embassy in Italy to the Foreign Ministry

Telegram

No. 111 of May 25

ROME, May 26, 1935—11:05 a.m.

Received May 26—1:25 p.m.

II Lu. 1331.

For Central Office, Reich Air Ministry.

At today's farewell audience,¹ which took place in the presence of Valle,² Mussolini immediately began to speak about the statement made by the Reich Air Ministry to the Italian Air Attaché in Berlin.³ The prohibition of German deliveries of aeroplanes to Abyssinia was of the utmost importance to Italy, and a proof that Germany did not support Italy's opponent. The Franco-Russian Treaty⁴ had brought a completely new factor into international politics and rendered a basic reorientation necessary. Mussolini expressed the hope that a gradual and systematic *rapprochement* of Germany and Italy would come about within the framework of this reorientation. [He] instructed [me] to transmit greetings to General Göring and General Milch,⁵ and I added my personal thanks for the faithful cooperation shown during the training of German airmen.⁶ A very cordial tone prevailed during the audience. Questions of military service and the air convention were not brought up.

WALDAU
PLESSEN

¹ Captain Hoffmann von Waldau had been German Air Attaché in Rome from 1932 to May 1935.

² Under Secretary of State in the Italian Air Ministry.

³ Major G. Teucci. According to a communication from the Reich Air Ministry of May 16 (M101/M003304-05), Colonel Wenninger had on the previous day assured Major Teucci that the Reich Air Ministry had forbidden the delivery of aeronautical equipment to Abyssinia.

⁴ See document No. 70, footnote 1.

⁵ State Secretary in the German Air Ministry.

⁶ See vol. III of this Series, documents Nos. 406 and 425.

No. 110

9692/E682138-44

The Chargé d'Affaires in Rumania to the Foreign Ministry

1646 I C 4

BUCHAREST, May 26, 1935.

Received June 1.

W 5957.

Subject: German-Rumanian economic negotiations and their repercussions on relations between the two countries.

The negotiations which the German Economic Delegation opened here three weeks ago¹ have had a surprisingly favourable effect on the attitude to Germany of leading circles in Rumania and have created an unusually friendly atmosphere.

I. *Official Reception.*

Even the official reception accorded the Delegation was decidedly cordial. Not only did the Minister of Commerce and the National Bank each immediately give a big luncheon party to welcome them, but even Titulescu followed suit as soon as the Balkan Conference² ceremonies were over. This luncheon for twenty-four people given by Titulescu was the first at which he brought together Germans and Rumanians only, and at it he caused a sensation by toasting the "Reichsführer". Equally significant were the attentions which the King showed the Delegation; he invited all the delegates to the diplomatic stand for the parade on May 10, and received Herr Wohlthat in audience for an hour during which he bestowed upon him the Cross of a Grand Officer of the Crown of Rumania.

The delegates were also received by Prince Nicholas and the Minister President and during their daily meetings Manolescu-Strunga, the Minister of Commerce, almost overwhelmed the two delegates with all kinds of attentions and invitations.

II. *Method of procedure.*

While, therefore, far more was being done by the Rumanians as regards courtesy and hospitality than is, as a rule, customary on such occasions, even more surprising was the industry with which the Rumanians applied themselves to the actual work. Despite the concurrent meeting of the Balkan Conference² attended by so many "allied" statesmen (Rüstü Aras, Jevtić, Maximos, Paul-Boncour, Osuský), all the Rumanian authorities were prepared to negotiate daily in a measure which, as far as I can judge, no other trade delegation here has ever encountered. Moreover, nothing could more clearly indicate the Rumanians' zest for work and their desire to come to terms than the fact that the National Bank (the keenest rivals of the Minister of Commerce) initialled the draft clearing agreement after only three and a half days of negotiation, and that in their haste they even agreed to points which have since caused them no little embarrassment.

Still more amazing was the interest which the Foreign Minister,

¹ See document No. 6, footnote 2. Copies of the clearing agreement and related documents which were signed on May 24 and 29 were forwarded to the Foreign Ministry under cover of despatch No. 2 of May 29 (9692/E682145-48). For the published portion see *Reichsgesetzblatt*, 1935, Pt. II, pp. 453-459; the unpublished portion and exchange of letters are filmed as 9692/E682165-206.

² Held at Bucharest, May 10-13; reports on it received by the Foreign Ministry have been filmed on Serial 9604.

who must surely be very busy, took in the negotiations. The settlement of our old claims in respect of deliveries of material³ ultimately devolved on him.⁴ Titulescu devoted a whole afternoon to this matter and was again available for four hours at his private residence on the eve of his departure for Geneva, during which time he not only entertained us lavishly but, once he had acknowledged our claim as fundamentally justified, spoke almost as though he were our advocate in order to break down the Minister of Finance's opposition.

III. *The Rumanian attitude.*

That, despite this willingness to enter into negotiations, the Rumanians still adhered to their views on important questions with obstinate tenacity, was, for one thing, due to the fact that questions of vital importance to them were involved; these, in view of the state of their public finances, included all monetary payments. Besides, such an "understanding" with a country like Germany still seemed very strange to them. We must not forget that negotiations, such as we are conducting at present, failed only a few years ago owing to French objections, nor that, since then, Rumania's attitude to Germany has changed in a way which has made the resumption of negotiations harder rather than easier. That the Rumanians, in the midst of loudly proclaiming their alliance system and under the impact of the recent triumph which they consider Russia's pacts with France and Czechoslovakia to be, should none the less have shown themselves in any way willing and able to negotiate with us objectively and frankly, that they should have dared to show in public without reserve their agreement with us, and that they should have decided to meet us on some of the old disputes, all this (seen from their point of view) betokens a change of heart which until recently no one would have considered possible—least of all I myself, who have lived here through the particularly discouraging period from June 30 and the death of Dollfuss, through the assassination at Marseilles and the Defence Decree, up to the Franco-Russian Alliance with all its repercussions and animosities.

Much as I am inclined, therefore, to view with scepticism the Rumanians' sudden demonstrations of friendship, I cannot deny that what has been happening here during the last three weeks reveals a surprising change in the attitude of the ruling circles to present-day Germany; this change, stemming from *economic* cooperation, has come to affect *personal* relations (which play a decisive part with the Rumanians) and might, unless a further breach occurs, likewise bear *political* fruit.

³ See vol. III of this Series, documents Nos. 543 and 556.

⁴ This question was, nevertheless, left open and agreement was not finally reached until April 1936. The relevant documents have been filmed on Serial K501.

IV. *Causes of the change.*

The causes of this change, apart from the personal impression made by the two negotiators, must primarily be sought in economic needs. Rumania's economic situation is bad; her foreign exchange position is on the verge of collapse; her export figures decline from month to month. If she has ever forgotten the elementary truth that the agrarian States of the Danubian Region are dependent upon Germany, this lesson has once again been impressed upon her by dire necessity. In addition there is the recent failure of her Finance Minister's visit to Paris; he returned empty-handed and exasperated. The hope of German "investments" served as encouragement, and, cleverly fostered by us despite our own, otherwise repeatedly emphasized, shortage of capital and foreign exchange, it nevertheless found credence. And, lastly, we were helped by the personal interest of the Minister of Commerce whose political position was most closely bound up with the success of the Treaty.

I am not certain that all these causes taken together explain adequately the general change of mood in our favour, above all not where Titulescu himself is concerned, he being only too pleased to subordinate major economic needs to pure politics. Searching for purely political motives, the following possibilities present themselves: His anxiety lest his attitude to Moscow and the Eastern Pact should bring him into such opposition both to his King and to the Rumanian people as to make it appear advisable to create some *counterweight* in the form of good relations with Germany; or the desire to satisfy his vanity by winning fame as a mediator in the next act of the European political drama, which he expects will produce a German-Russian *rapprochement*; or the King's instructions, strengthened by the latter's disappointment over France, that Rumania's newly gained diplomatic and military security be used to initiate a more independent, elastic and free foreign policy, that is to say, to follow the examples of Poland and Yugoslavia; or, lastly, an attempt through a *rapprochement* with Germany, who has renounced territorial revisions, further to isolate Hungary who is still pursuing such revision.

Whatever truth may lie in these conjectures only the near future can show; and thus the future alone can prove whether Titulescu's *rapprochement* with us was more than a temporary move in his game.

V. *Attitude of the press.*

The assumption that something more is involved is strengthened by the growing agitation which our negotiations have produced in the press here, even in those newspapers which are very close to the Foreign Ministry. From the beginning, two newspapers have systematically agitated against the negotiations: the Jewish *Lupta*, prompted by general hate, and the *Curentul*, by reason of a private

vendetta against the Minister of Commerce. But after the clearing agreement had been signed on May 24, newspapers like Grig. Filipescu's *Epoca*, the *Adeverul* (Jewish) and, above all, the *Universul*, also uttered warnings, the latter against any collaboration, even economic, with a "revisionist" State.

The arguments applied in the press campaign were "the surrender of vital oil interests to hostile foreign countries"; or the supply of fuel to Germany for her armaments, above all, for her air force; or the mixing up of the "Otto Wolff contracts" with the private transactions of individual Rumanian politicians, or, in general, the "secrecy" and "scandalous mystery" allegedly surrounding the negotiations with Germany. It is due to this campaign by the press that an unfortunately phrased interview with the Minister of Commerce, in which he admitted the existence of secret treaties, was able to cause excitement as far away as Paris and lead to Laval and Litvinov addressing agitated enquiries to Titulescu. The ensuing agitated telephone conversations between Titulescu and the Ministers here did, however, result in Manolescu-Strunga asking me to refrain completely from proposing any toasts at the farewell luncheon which I had arranged; in any case, they showed how precarious the path of collaboration between Rumania and Germany still is.

POCHHAMMER

No. 111

6081/E451262-70

The Minister in Austria to the Führer and Chancellor

A 1237

VIENNA, May 27, 1935.

Received May 28.

II Oe. 1382.

Subject: Austria after the Führer and Chancellor's speech¹ of May 21, 1935.

The initial reception in Austria of the Führer and Chancellor's statements, which the whole world had been awaiting with interest, was surprisingly cold and disapproving. Only when it became known here that London, Paris and other capitals viewed the speech favourably, did the Austrians gradually change their opinion and try for their part, too, to appreciate the constructive elements in the speech. Nevertheless their attitude to the statements concerning Austria remained entirely unreceptive. They admitted that the clear and definite declaration that Germany desired neither annexation nor *Anschluss* and that Germany neither wished nor intended to interfere in Austrian affairs, represented a considerable step forward. On the

¹ See Editors' Note, p. 171.

other hand, they refused to accept the description of the Austrian régime as one which "had no legal basis other than that of force", and considered it to be a further instance of unjustified interference in Austria's internal affairs.

In connection with this attitude on the part of the entire Austrian press, which undoubtedly reflects the Government's views, curious things have recently been happening, which would appear to be indicative of future developments. On May 23, the day on which the Federal President opened an exhibition in Vienna in memory of the late Emperor Francis Joseph, the National Opposition distributed leaflets in almost all the larger cities, giving the text of the famous manifesto which the Emperor addressed to his peoples exactly twenty years ago, again on May 23, on the occasion of Italy's declaring war. In view of the close relations at present existing between Austria and Italy it was certainly not a bad idea on the National Opposition's part not to let this day go by without reminding the Austrian people of the description of their hereditary Italian foes which came from that august source at the time. The semi-official *Politische Korrespondenz* said in an editorial the following day that this "propaganda" was undoubtedly the result of general orders from the supreme Party authorities, and that the only remarkable thing was that, in spite of "Hitler's obvious overtures" to Italy, the order to make demonstrations against Italy could not be rescinded in time. At the same time a leaflet was pasted up on all the notice-boards giving the passage in the Führer's speech in which reference is made to German-Italian relations and regret expressed over the fact that the tension caused by Austria has damaged relations which were once so cordial. The leaflet then continues: "The Führer thus states that South Tyrol would represent no point of issue with Italy where he is concerned . . . but here the Nazis are stirring us up about South Tyrol and saying that friendly relations with Italy amount to racial treason! This is a typical example of Brownshirt lies."

In connection with Prince Starhemberg's remarks, of which you are aware, about the NSDAP's activities in the South Tyrol proving extremely harmful to the German community, these incidents show that the phrase about Italy in the Führer's speech has given rise here to the profound fear that the conflict between German and Italian interests may be composed; furthermore, they show that the desire exists—at least among Heimwehr circles—to try to keep this regrettable conflict of interests alive and exacerbate it. Starhemberg's poisonous propaganda about the South Tyrol can have no other purpose.

My view, which I have set forth orally at home,² that, since it has proved impossible to bring about the proposed pact of non-intervention, Italy will try to set Austria on the path towards a Heim-

² See documents Nos. 84, with footnote 1 thereto, and 96.

wehr dictatorship, is further substantiated by the decree, published the day before yesterday, in which it is laid down that from now on all who serve in the Federal Army must be members of the Fatherland Front. Moreover, Prince Starhemberg announced yesterday in Salzburg that the para-military formations are to be unified as soon as possible, while at the same time all who joined after January 1934 are to be removed. This means that when the army is expanded, as has been planned, only those will be included who, as members of the Fatherland Front, are loyal to the Heimwehr, and that those who joined after January 1934 will in future not be allowed to have anything to do with either the Federal Army or the para-military formations because their national loyalty will be suspect.

The announcement that the Federal Chancellor proposes to state his views on the Führer and Chancellor's pronouncements in a detailed speech this Wednesday,³ led me to request an interview with him. This conversation, which lasted two hours, took place this morning.

At the outset of our discussion I reminded the Federal Chancellor of a recent article in *The Times*,⁴ which said, in connection with the Chancellor's forthcoming speech, that the habit which certain statesmen and newspapers had of anticipating a speech which was being awaited with great interest, and depriving it of its effect by voicing all sorts of suspicions, was one of the most despicable of all manoeuvres against world peace. The attitude of the Austrian press to the Führer's speech had made the same sort of impression on me. Without engaging in any evaluation of the constructive elements in the speech, they had unanimously rejected it, and had changed their views only when its positive effect in London and Paris had been recognized. I gave the Federal Chancellor, for his information, Lloyd George's article, which appeared only this morning, on the Führer's speech.⁵ I reminded him that the developments of the past six months were in no small measure the responsibility of the Austrian statesmen who had been trying to implant and foster the belief in all the capitals of Europe that Austria's existence was being constantly and gravely threatened by the German Reich. To this misrepresentation was due the remarkable Franco-Italian reconciliation and the resultant front formed by the Western Powers, not least the new French-Russian-Czech coalition.

Before he, the Federal Chancellor, made his speech on Wednesday and before the Austrian Government contributed further to disturbing relations between the European Powers, I wished to ask him whether he was aware of the full text of the Führer's speech, or whether I

³ i.e., May 29.

⁴ See *The Times* of May 13, 1935.

⁵ In the *Berliner Börsen-Zeitung*.

should not communicate it to him so that he might better understand it. I said I had not been instructed to protest to him against the unprecedented and untruthful statements by the Austrian Vice Chancellor, or against the assertion in the *Politische Korrespondenz*, or against the display of the above-mentioned leaflets, for the Reich Government saw no purpose in taking official steps on such matters, but I felt it incumbent upon me to point out to him that, to us, all this was further proof of how closely Austria was involved with Italy, politically speaking, how much she appeared to dislike any improvement in German-Italian relations, and how far removed was Austria's policy from that of a "German State", which, however, she always claimed to be. Furthermore, both the Starhemberg interview and the leaflets previously referred to bore witness to the truth of the axiom, posited by the Führer, that it would be entirely unacceptable to the Reich Government to give their approval to a non-intervention formula which would permit the Government here to describe all measures by their own Opposition as impermissible intervention by Germany in Austrian affairs.

I went on to say that we were aware that, although a Habsburg restoration was not imminent, owing to the opposition put up by the Little Entente, yet Rome would not be sorry to see the Habsburgs replaced by another dynasty which might start quite soon with a Starhemberg regency.

Although the Reich Government had now, through the mouth of the Führer and Chancellor, most solemnly declared that they neither wished nor intended to interfere in Austria's internal affairs, yet this certainly did not mean that Germany would passively allow another Power to attempt to acquire a political, moral or military predominance in Austria which would be incompatible with Germany's interests.

If even M. Beneš in his well-known speech of March 21⁶ said that Austria must not be included in any political and economic system inimical to Germany, then the Federal Chancellor would understand that the Reich Government would never tolerate a policy designed to achieve such an end.

In reply to these remarks the Federal Chancellor attempted, as he has done so often before, to prove to me that the influence exerted by Rome was nowhere near as strong as we believed, and that the Austrian Government were merely trying to maintain their independence in all directions. From a conversation which I had yesterday with Buresch, the Minister of Finance, who belongs to the Christian Social camp, and from observations recently made by Buresch in

⁶ Presumably a reference to Beneš' speech to the Foreign Affairs Committee of the Czechoslovak Parliament on March 21, 1934, when he discussed Central European problems and the question of Austria. For an English text of this speech see Eduard Beneš: *The Problem of Central Europe and the Austrian Question* (Prague, 1934).

Geneva to a person of my acquaintance, I know that both the Christian Social camp and Schuschnigg's side have the gravest doubts about the course which Starhemberg is steering with the aid of the Italians. Minister Buresch told me in confidence the day before yesterday that in his opinion this internal difference would soon become intolerable, and that it would certainly be welcomed if, at this moment, which might decisively affect developments for decades, there could be brought about a reconciliation with Germany of such a kind as would make it possible to avoid a Heimwehr dictatorship and a complete surrender to Italy's influence.

In consequence I was able to observe that my remarks to the Federal Chancellor did not fall on altogether stony ground. After a lengthy and protracted discussion of German-Austrian relations, with accusations levelled and refuted by both sides, he told me that he acknowledged the value of the Führer's extremely important observations concerning reshaping the relations of the European Powers and the maintenance of peace. He would make a statement to this effect on Wednesday, although in this speech he would of course have sharply to refute the description of the Austrian Government. He fully realized that German-Austrian relations could far more easily be set in order by loyal bilateral agreements than by the more circuitous methods of pacts with one or more other Powers, which Germany would refuse to sign. He would be glad if I would provide him with a detailed proposal for a possible bilateral arrangement.⁷

The outcome of this conversation may be regarded as a step forward, especially when I recall the fact that my attempts last autumn⁸ to bring about a bilateral discussion on the model of the German-Polish settlement were entirely fruitless. It is my impression that the Federal Chancellor would gladly accept the aid which, in certain circumstances, we might give him against a Starhemberg dictatorship.

In order to prevent misuse of our conversation, I told the Federal Chancellor that he might inform the Italian Government *in extenso* of my statements, should he so desire, for in attempting to establish friendly relations with him we were merely pursuing the general interest, and none of our measures were anti-Italian in spirit.

It will now be interesting to see how far Prince Starhemberg and the Heimwehr side succeed in influencing the tone of Wednesday's speech. It will not be possible to decide whether it would in fact be worth while to enter into bilateral conversations until after this speech has been made.⁹

⁷ Marginal note in Neurath's handwriting: "H[err] v. Papen's idea!!"

⁸ See vol. III of this Series, documents Nos. 167, 235 and 380.

⁹ Papen reported favourably on the speech in telegram No. 55 of May 29 (1549/376738-39) and in despatch A 1323 of June 5 (1549/376732-37). See also document No. 197.

In conclusion I would add that, according to what I hear from the Yugoslav Minister, who is a friend of mine, both the negotiations conducted by the Little Entente and the Balkan Entente in Bucharest were entirely without result, as was the recent conversation between Baron Berger-Waldenegg and M. Beneš in Tabor.¹⁰ The object of this latter discussion was, I am told, to convince Beneš of the necessity of first completing the triangle Rome—Belgrade—Vienna; once these three States had come to an agreement about the Danubian Pact, first Budapest and then Prague should be included. Beneš, however, is said to have rejected this plan altogether.

After Mussolini's most recent pronouncements, it may be taken for granted that the Danubian Pact is to be considered done with for the present, and that the Italians will be all the more desirous of achieving "autonomous" security for Austria. To frustrate this must be the next objective of Germany's policy.

I hear from all sections of the National Opposition that the Führer's speech was greeted with great enthusiasm. The declarations about the *Anschluss* and non-intervention were everywhere seen as necessary for reasons of state and, even in these quarters, have in no way diminished the full agreement with the historic speech.¹¹

PAPEN

¹⁰ Information received by the Foreign Ministry on the Berger-Beneš meeting was circulated in despatch II Oe. 1420 of June 5 (8937/E627585-87).

¹¹ Copies of the document here printed were circulated under cover of a despatch of June 6 (6081/E451280) to the Missions in London, Paris, Rome, Budapest, Prague, Belgrade and Bucharest.

No. 112

5552/E394550

Memorandum by the Director of Department IV

BERLIN, May 28, 1935.

e.o. IV Po. 3603.

This afternoon I went to see the Reich War Minister, von Blomberg, described to him the political and economic consequences should we abandon Danzig, and set forth reasons for the proposed programme of assistance, i.e., appointing a financial and economic dictator with full powers and making foreign exchange available.¹ I informed him of the conversation with the Reich Minister of Finance¹ and the President of the Reichsbank² and told him it chiefly depended on him whether the necessary foreign exchange could be made available.

Herr von Blomberg said that it was absolutely essential that

¹ See document No. 103.

² In two memoranda of May 28 (5552/E394537 and 38) Meyer recorded conversations on aid to Danzig with Schacht and with Staatsrat Neumann of the Prussian Ministry of State respectively. In a memorandum of May 25 (5552/E394567-72) he gave an analysis of the financial situation in Danzig and details of the two specific proposals referred to in the document here printed.

Danzig should be kept in German hands. He would not shrink from making certain sacrifices for his part, too, in order to attain this aim. He suggested that Herr von Neurath, Herr Schacht, Herr von Krosigk and Herr Hess should be convened for a high-level conference immediately; he attached great importance to the Führer's Deputy being present. I agreed to ask the Reich Foreign Minister to convene such a high-level conference.³

MEYER

³ For this conference see document No. 123; no record, either of invitations being sent to the participants or of an approach to Hess, has been found.

No. 113

7846/E569286-90

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 132 of May 28

LONDON, May 28, 1935.

Received May 29—10 : 30 a.m.

II R 1313.

With reference to your despatch II R 1260 of May 25.¹

I have just handed Sir John Simon our draft for an Air Pact and have commented thereon as instructed. In addition I pointed out that, according to the Chancellor's speech² and Baldwin's latest statement in the House of Commons,³ there was agreement in principle between Germany and Britain on the whole air question; the time, therefore, seemed to me to have come when the Air Pact could be concluded. The Foreign Secretary said he was glad to have received our draft.

On the preamble to our draft, the Foreign Secretary remarked that the British Government would like to see included in the preamble a general clause condemning bombing of the kind referred to. I referred the Foreign Secretary to his conversation with the Führer and Chancellor in Berlin, during which, as he would remember, he had already made a similar suggestion, which had met with the Chancellor's approval. I also referred him to point (9) of the Chancellor's speech in which the question of bombing had been thoroughly dealt with, and added that if the British wished to make a proposal we would be ready and willing to discuss this question too in conjunction with the Air Pact, just as we were prepared to put any proposal for the limitation of air forces, in the sense of point (8) of the Chancellor's speech, into effect.

Sir John Simon listened to my statements on paragraph 2 of

¹ Document No. 106.

² See Editors' Note, p. 171.

³ Of May 22, 1935; for the text see *Parl. Deb., H. of C.*, vol. 302, cols. 359-373.

Article 1 of our draft without comment, though he seemed to appreciate the necessity for such a provision.

On Article 2 he remarked that the relevant provision was couched in very similar terms in the British draft.

With regard to Article 3, he explained that the British Government had considered the question of how to ensure that immediate assistance by the Treaty Powers not directly affected should, in fact, only be rendered when a major and deliberate act of aggression had occurred. In terms similar to those used by Lord Stanhope to me last Friday,⁴ Sir John pointed out that one could, for instance, conceive of deliberate bombing by an *agent provocateur*, or of a comparatively harmless frontier incident of some kind, both cases which should not be allowed to become the cause of a world war. British public opinion would, in any case, insist on having it laid down in the text that the British Government must first satisfy themselves of the serious nature of the attack before taking action, though this should, of course, not be allowed to cause undue delay. In view of this, our version "as soon as that Party is informed of an attack" did not seem to him quite adequate. We were agreed that it would not be difficult to expand the text in the sense desired by Britain.

With regard to Article 4, another discussion on the necessity of maintaining complete parity while avoiding all prejudice in the Air Pact, such as I had already had with Sir John recently,⁵ developed. The Foreign Secretary made no definite statement, but neither did he raise objections, just as he recently showed understanding of my remarks on this subject.

When I told him that we intended to inform Belgium, France and Italy that we had communicated the draft, and that we had no objection to our draft being forwarded to them on condition that their drafts were sent to us, the Foreign Secretary said that this condition would, of course, be met. It was, moreover, clear that we should now proceed to discuss each other's drafts. In this connection he wondered whether it would not be useful to consider a meeting of representatives of the five Powers for the purpose of concluding the Air Pact, not at Geneva but, for instance, at Lugano. The preparation of the Treaty could be carried far enough beforehand through diplomatic channels to ensure success. I said I was not in a position to express any opinion on this.

The Foreign Secretary then commented generally on the prospects of the Air Pact. He stressed that he personally had always been in favour of finally settling the Air Pact before dealing with the other problems dealt with in the Anglo-French document of February 3.⁶

⁴ i.e., on May 24; Earl Stanhope was Parliamentary Under Secretary of State for Foreign Affairs. No record of this conversation has been found.

⁵ See document No. 68.

See document No. 46, footnote 3.

Here he referred to the wording of the said document, in which the Air Pact had expressly been treated separately, and to his broadcast on the evening of February 3. He also mentioned with approval the well-known humorous comparison with the system of block bookings in the film industry which the Reich Chancellor had made both in Berlin and in his speech. At the same time, however, he stressed that both France, of whom Britain was now requesting guarantees in connection with the Air Pact, and Italy must be prepared to co-operate and that therefore agreement between Germany and Britain was not enough. The British Government were now endeavouring to get France and Italy to agree to cooperate. They had not yet had any reply from France, but the statement of views communicated by Italy had been promising.

Sir John then asked whether Germany would be prepared to agree to mutual inspection of air strengths within the framework of the Air Pact. I promised to obtain information on this.

From many discussions recently with personalities in the political world I have again and again got the impression that political circles and public opinion are exerting strong pressure on the British Government to hasten the conclusion of the Air Pact. Sir John, too, said that he would probably be asked questions in the House of Commons during the next few days, particularly next Friday⁷ on the occasion of a Liberal question on the Chancellor's speech. At his request I authorized him to make it known, should occasion arise, that we had communicated a draft Air Pact to the British Government.

This conversation has convinced me that the Foreign Secretary is now determined to press forward the question of the Air Pact.

Since our conversation had lasted nearly an hour and the Foreign Secretary could spare no more time, we postponed discussion of the matter dealt with in your despatch V 7474 of May 25⁸ until tomorrow morning.

HOESCH⁹

⁷ i.e., May 31.

⁸ Document No. 107.

⁹ See also British Blue Book, Cmd. 5143 of 1936, No. 24.

No. 114

7468/H182960-62

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 133 of May 28

LONDON, May 28, 1935.

Received May 29—10:30 a.m.

II R 1314.

Craigie asked Bismarck to call today to discuss with him the programme for the forthcoming naval conversations. The result of the

conversation, which was attended for part of the time by the British naval delegates for the negotiations, Admiral Little and Commander Danckwerts, was as follows:

After the arrival of the German representatives early on Monday, Monday morning must remain free because of the military parade in honour of the King's birthday. For Monday afternoon the British proposed that Herr von Ribbentrop, either alone or together with the German naval experts (at his discretion), should have a conversation with Sir John Simon and the First Lord of the Admiralty, Sir Bolton Eyres-Monsell, at the Foreign Office. On Tuesday morning at 10 a.m. the conversations proper should begin, in which, as already reported, Craigie, Little and Danckwerts would take part on the British side. It is hoped to complete the conversations by Friday, but, should their resumption after Whitsun or later on appear desirable, the British will of course be available at any time. Craigie again emphasized that the conversations were purely provisional and informal; he thought that they would be followed by fresh conversations with the French, the Italians and probably also with the Russians, until finally, in the autumn, the position would, it was hoped, be reached when the full Conference could be summoned.

Craigie emphasized that, according to experience gained with other countries, it would be desirable to conduct negotiations entirely between experts, as envisaged, and to call in Ministers only if decisions appeared necessary which could only be taken by them. At the beginning of the talks the principal item would be to inform the German representatives of the course of other conversations to date. Craigie would be taking part in all the conversations, since political questions would crop up continually. If, in the course of negotiations, Herr von Ribbentrop thought it desirable to consult with any of the appropriate Ministers, it would, of course, be possible for him to do so at any time.

Bismarck raised the question as to whether reports that Sir John Simon or the First Lord would attend the opening session were correct. Craigie replied that the method envisaged above, of beginning with conversations between experts alone, had always proved more profitable. No provision had, therefore, been made for Ministers to attend. After a lengthy discussion he stated that if Herr von Ribbentrop wished them to attend he would try to secure this.¹

Finally Craigie earnestly begged that steps should be taken to

¹ In telegram No. 136 of May 30 (7468/H182964) Hoesch reported that, in accordance with a telephone conversation with Ribbentrop, Bismarck had just called on Craigie to ask him to try to arrange for Simon to participate in the opening session. Craigie had promised to pursue the matter and to inform the Embassy as soon as possible. In telegram No. 138 of the same date (7468/H182966) Hoesch reported that Craigie had just telephoned about the final arrangements for June 3 and had confirmed that Simon would attend the opening session on June 4:

prevent the press from magnifying too greatly the importance of the negotiations.

The following are the plans for social functions:

Dinner at Captain Wassner's on the evening of June 3, reception at Captain Wassner's on the afternoon of June 4, lunch with the Prime Minister at 1 p.m. on June 5, dinner at the Embassy on the evening of June 5.

Please copy to Naval Command.

HOESCH

No. 115

5752/H038695-98

The Ambassador in Poland to the Foreign Ministry

No. 844

WARSAW, May 28, 1935.

Received May 29.

IV Po. 3621.

POLITICAL REPORT

Subject: The Polish Foreign Minister's comments on the Göring visit,¹ the Laval visit² and the Czechoslovak-Russian Pact.³

As I reported in despatch No. 837 of May 28, 1935,⁴ Foreign Minister Beck has, in a conversation which I had with him today, for his part also stressed the strong impression which (as was already evident from the Polish press) the Reich Chancellor's speech⁵ has made, and expressed satisfaction in remarkably cordial terms at that passage in the speech which dealt with German-Polish relations. M. Beck went on to speak once more of Prussian Minister President Göring's visit and assured me that, of all the numerous manifestations of German sympathy over the death of Marshal Pilsudski, the sending of Minister President Göring had undoubtedly made the profoundest impression. The presence of the Prussian Minister President had been a clear sign, particularly to the broad masses of the people, of the good relations between the two countries. He himself had been particularly glad to be able to engage in a direct exchange of views with so close a collaborator of the Reich Chancellor's precisely at a time when certain quarters were casting doubt upon whether Polish policy was being consistent. He hoped that the exposition of Polish policy which he had given Herr Göring had proved useful.

M. Beck then went on to speak once again of Laval's visit and informed me of what he had said to the French Foreign

¹ See document No. 98.

² See document No. 88.

³ See document No. 105, footnote 4.

⁴ Not printed (8832/E614672-73).

⁵ See Editors' Note, p. 171.

Minister about the possibility of Poland's participating in a system of collective security in the East. He stressed that he had, in the first place, expressed his aversion to collective systems. Only if the new settlement were to offer real advantages would Poland be able to give the idea of collective agreements favourable consideration. In this connection it was of decisive importance—and he had made this point most firmly—that a possible collective system should under no circumstances, that was to say neither directly nor indirectly, prejudice the agreements which Poland had concluded with her two great neighbour States. That for Poland there could be no question of *assistance mutuelle* he hoped he had made clear once and for all. Furthermore, he had attached particular importance to explaining to M. Laval what were the Polish views with regard to "regional" alliances. In the first French Eastern Pact project the States which were envisaged as being banded together in the "region" had been listed by name. Meanwhile there had been more talk about the organization of systems and less about how the region was to be constituted, and he feared that, from the fact of this point having been neglected, it might be concluded that the original French proposal had been approved. The Polish view, as he had defined it to me at an earlier occasion, had however not changed. The Danubian States could be described as a region, and one could speak of a region if the neighbour States of so novel an organism as the Soviet Union were to join together in a collective treaty of non-intervention; but the French list, which left out Finland and Sweden from a proposed Eastern Pact, but, on the other hand, included Czechoslovakia, was completely arbitrary. He had therefore declared to M. Laval that the list of States eligible for membership of a collective system could not be laid down beforehand, and that he must reserve any decisions in connection with the selection of such States.

Regarding the Czechoslovak-Russian pact, M. Beck stated that he had instructed his Minister in Prague to ask M. Beneš what in fact were the meaning and object of this Pact. As, however, M. Beneš was absent, it had apparently not yet been possible to carry out this *démarche*. M. Beck emphasized, however, that the sending of a large Czechoslovak delegation to attend the funeral ceremonies here had been taken as a friendly gesture. Unfortunately, however, Czechoslovakia had meanwhile again acted in a somewhat less friendly manner towards Poland in that she had refused to allow passage over her territory to the airline which had plied unhindered between Warsaw and Vienna for many years. As I have reported in a separate despatch, M. Beck commented, in this connection, on the various efforts which have been made by the Czechs to open an air route to Moscow. This brought the conversation round to the difficult position in which Rumania had been placed by the Czechoslovak-Russian

Pact and the resultant desire to fly over Rumanian territory. M. Beck, indeed, drew my attention to the *démenti* which was recently published, but added that in his opinion this question might definitely be expected to be brought up again. The opportunities for exerting pressure on Rumania were very numerous and even though the King adopted an intransigent attitude on this question, yet in view of Titulescu's capriciousness one would not feel safe from surprises.

MOLTKE

No. 116

9074/E637059-63

The Reich Finance Minister to the Foreign Minister

SPECIAL SECURITY HANDLING—SECRET

BERLIN, May 28, 1935.

RV—15—439 II

II M 1307.

Subject: Import and export of war material.

For the attention of Senior Counsellor Frohwein.

Contrary to the provisions of the Law on War Material,¹ the import and export of war material in a specially disguised manner has been permitted in accordance with an agreement between the Reichswehr Minister and myself of May 4/11, 1928,² provided it was necessary for the defence of the Reich. The procedure was originally intended only for the export and import of the so-called Russian transports, but was later extended to other consignments of war material³ which were in the interests of rearmament. These exports and imports were permitted on individual notification being given by the Reichswehr Minister and could only take place at the Stettin free zone customs post.

For reasons of foreign policy and in order to uphold the authority of the law, the import and export of war material can continue to be permitted only in a disguised manner and consequently, as hitherto, without the imposition of duties and without appearing in trade statistics for as long as the Law on War Material formally remains in force, and this despite the new situation created by the introduction of universal military service and by the latest speech of the Führer and Chancellor in the Reichstag.⁴ However, in view of the greater quantity of imports and exports of war material which is to be

¹ Of July 27, 1927; for the text see *Reichsgesetzblatt*, 1927, Part 1, pp. 239-242.

² Under cover of a letter of May 11, 1928 (9481/H276291-94), Col. Kühlenthal of the Reichswehr Ministry sent to Dirksen, at that time Director of Department IV, a copy of the record of a discussion which took place on May 4, 1928, in the Ministry of Finance between Reichswehr Minister Groener, Major Behschnitt, State Secretary Popitz and Ministerialdirektor Ernst, and at which agreement was reached on the procedure for transports of war material to Russia via Stettin.

³ See, e.g. vol. III of this Series, documents Nos. 124 and 351.

⁴ See Editors' Note, p. 171.

expected as a result of the expansion of the Wehrmacht and the armament industry, and of the frequently observed overlapping of authorities competent to deal with this question, the procedure is in need of reorganization. Apart from the establishment of further customs posts for this traffic, previous experience has shown the need for ensuring that the notification of war material to be imported or exported, and therewith the examination of whether this is in the public interest, should be the responsibility of a single office. The most suitable office for this would be the Reich War Ministry, which unites the interests of the three branches of the Wehrmacht and which would have to act in consultation with the Reich Ministry of Economics in so far as general economic interests and questions of foreign exchange are concerned.

The attached draft has been prepared on the basis of a preliminary discussion between the departments concerned.⁵ I request you, Herr Reich Minister, to state your agreement to this procedure in writing.⁶

KROSIGK

[Enclosure]

PROCEDURE FOR THE IMPORT AND EXPORT OF WAR MATERIAL

As long as the Law on War Material of July 27, 1927, remains in force, the import or export of war material will be permitted only under camouflage in accordance with the following procedure:

The Reich War Minister will notify the Reich Finance Minister of war material awaiting import or export. When necessary, the Reich War Minister will previously consult the Reich Minister of Economics if the interests of the export industry or questions of foreign exchange are involved. The notification must state:

- (a) what the consignment is declared as,
- (b) what the actual content of the consignment is,

⁵ In a memorandum of Mar. 4, 1935 (7898/E573287-88), Frohwein recorded that he had attended an interdepartmental discussion in the Reich Finance Ministry, on Mar. 2, at which it had been agreed that the time was not opportune for the repeal of the Law on War Material and that further ways of circumventing its provisions should be found, especially through the provision of additional points of entry and exit for this traffic.

⁶ In a memorandum of May 13 (7898/E573289-91) Frohwein noted that the Naval Command had recently asked whether the Law could not be repealed, and that increased pressure for this repeal was to be expected. In a further memorandum of May 28 (7898/E573292-93) Frohwein recorded that on the instructions of the State Secretary he had contacted the other departments concerned on the question of a new law on the import and export of war material and had stated that the Foreign Ministry, which was interested mainly in the timing of this law and in ensuring that it gave due consideration to the trends of international negotiations on this subject, would formally raise the matter in two or three weeks' time; Frohwein recommended that this be not done until after the provisional solution to be proposed by the Reich Finance Minister [i.e., the document and enclosure here printed] had been safely adopted. The Foreign Ministry's agreement was expressed in a letter from Bülow to the Reich Finance Ministry of June 6 (9074/E637058). This letter also stated that the Foreign Ministry reserved the right to make a further communication on the question of repealing the Law on War Material and its replacement by different legal provisions until after this provisional procedure was in force.

(c) how it is packed and labelled,

(d) when and at what customs post it will be presented for clearance.

The import or export can only take place at the customs posts: Stettin free zone, Hamburg Meyerstrasse-Nord, Hamburg Central Goods Station—Arrivals/Despatch, Bentheim, Singen (Station) and Passau (Station).

The notification will be signed by the Reich War Minister or a person whose name has been forwarded by him to the Reich Finance Minister and will be addressed to the Reich Finance Minister, for the attention of persons whose names have been forwarded by him to the Reich War Minister. On receipt of the request the Reich Finance Minister will ensure that the consignment is promptly dealt with by officials specially appointed for this purpose and without the completion of any customs or statistical documents. The submission for clearance must always be made at the individual customs posts by the same forwarding agent or representative of the Reich War Minister.

No. 117

7846/E569294-95

The Ambassador in Great Britain to the Foreign Ministry

Airgram en clair

No. 134

LONDON, May 29, 1935.

Received May 31—9:20 a.m.

II R 1337.

With reference to my telegram No. 132.¹

After our conversation yesterday, when I communicated our draft Air Pact, Sir John Simon asked, both on the telephone yesterday evening and during our conversation this morning,² for a further explanation of my statement that we had informed the other Locarno Powers that we had communicated our draft to the British Government, without giving them copies, but that we would raise no objections to the British Government themselves giving copies of our text to the Powers concerned, on condition that we received copies of the drafts they had handed over in London. Sir John evinced anxiety lest it should be thought that in the Air Pact question we were attempting to achieve a relationship of particular confidence with Britain such as might arouse mistrust in other quarters and prejudice the Air Pact concept. He therefore asked me whether we would not

¹ Document No. 113.

² In airgram No. 135 of May 29 (8753/E610683), Hoesch reported that he had that morning communicated to Simon the German Memorandum of May 25 (see document No. 107, enclosure).

be prepared ourselves to distribute copies of our draft to the other Locarno Powers.

I replied that the reason for our communicating our draft to the British Government was that Britain had repeatedly suggested that we make such a contribution to her efforts. There was no such reason for our submitting our proposals to the other Locarno Powers. Moreover, it was only natural that we should make the forwarding of our draft conditional on our being given the drafts received in London. The idea of sowing discord between Britain and France was of course far from our minds.

Sir John declared himself satisfied with this explanation and said once again that the time had now come for a general exchange of views between the Locarno Powers on the drafting of the Air Pact and that he would get in touch with the other interested Powers in the way suggested. He added that, apart from the British draft, France alone had submitted practical proposals, whilst Italy had so far only produced a *résumé* of her views.

HOESCH

No. 118

7881/E570701-03

The Reich War Ministry to the Foreign Ministry

STRICTLY CONFIDENTIAL

BERLIN, May 29, 1935.

No. 342/35 g.K. Ausl. Ia

II R 1335.

For the attention of Senior Counsellor Frohwein.

The enclosed copy is submitted for your information.

By order:

SCHELLER

[Enclosure]

The Reich War Minister and Commander in Chief of the Wehrmacht to the Commander in Chief of the Army

STRICTLY CONFIDENTIAL

[BERLIN], May 27, 1935.

No. 342/35 g. Kdos. Ausl. Ia

Subject: The demilitarized zone.

The present strained political situation makes it the special duty of all authorities to avoid anything which might be interpreted by the other side as a breach of our military obligations in the demilitarized zone. The value of any military measures in the demilitarized zone is out of all proportion to the great danger to the Reich in the event of their becoming known.

In the first place the utmost discretion must be observed in all

matters concerning the Landespolizei stationed in the demilitarized zone, as their actions are being closely watched by the other side in the hope of establishing their military character.

Concerning this I order that:

(1) The present strength of the police in the demilitarized zone, including those in barracks, is not to be exceeded.

(2) A transfer of police from Reich territory to the demilitarized zone is not to take place.

(3) Neither anti-tank guns nor further mortar units must be moved into the demilitarized zone.

Mortars must not be seen outside the barracks. Training in sharp-shooting may only take place outside the demilitarized zone.

(4) The wearing of the grey-green uniform and the steel helmet while on duty is to be forbidden. Grey-green clothing which has already been bought privately may be used till worn out.

(5) There are no objections to minor transfers within the demilitarized zone.

The same discretion must also be observed where the Volunteer Labour Service [*freiwilliger Arbeitsdienst*] is concerned if it is entrusted with tasks for the defence of the country (obstacle-building, etc.), and also as regards the organization of recruiting and other military measures planned for the demilitarized zone.¹

V. BLOMBERG

¹ In his reply of June 6—II R 1335 II—(7881/E570711) Bülow welcomed this order, asked for information about the strength of the police in the demilitarized zone and reminded the Reich War Ministry of the War Minister's promise to speak to the Chief of Staff of the SA about the military or para-military activities of SA units in the zone (see document No. 57 and footnote 5 thereto).

No. 119

6144/E459698-99

The Head of the Volksbund für das Deutschtum im Ausland to the Foreign Ministry

BERLIN, May 29, 1935.

Received May 31.

II Ts. 1079.¹

With reference to the negotiations² which have so far been conducted orally, I venture respectfully to inform you that the total of the subsidies so far made available by the Volksbund für das Deutschtum im Ausland from its own funds for the work in Czechoslovakia

¹ The document here printed was originally registered as VI A 2734 and was subsequently transferred to Department II; see footnote 2 below.

² Marginal note: "[The relevant papers] VI A 2520, 2604, 2735/6 are attached." These documents have not been found, but see vol. III of this Series, documents Nos. 482 and 509.

which has been under discussion, amount to RM 272,852.50. Of this, RM 87,852.50 has, so far, been provided by us in cash and has been transferred in Czech Crowns to Czechoslovakia. As regards the balance of RM 185,000, we have so far only furnished an irrevocable guarantee to German firms in Czechoslovakia who have placed this amount at the disposal of the organization concerned. With the Deutsche Bank und Diskontogesellschaft as joint guarantors we have undertaken to remit this sum to Czechoslovakia in Czech Crowns by August 10, 1935.

If desired, the Volksbund für das Deutschtum im Ausland is very willing to produce, in an oral discussion, details of the payments made and to furnish proofs of payment. In accordance with what was agreed in the oral discussions, I beg you to arrange for remittance of the aforementioned sum, namely the RM 185,000 we still have to pay, from the means at your disposal, and at the same time to make arrangements for the transfer. I take it that this can be done within the limits of the foreign exchange permits at the Foreign Ministry's disposal.

I venture to ask you to arrange for the amounts to be paid into the account of the Volksbund für das Deutschtum im Ausland with the Deutsche Bank und Diskontogesellschaft, Berlin, Depositenkasse Q 2.

H. STEINACHER

Head of the Volksbund für das Deutschtum im Ausland

No. 120

7826/E567982-84

The Ambassador in Italy to the Foreign Ministry

I 309

ROME, May 30, 1935.

Received June 3.

II It. 886.

POLITICAL REPORT

Subject: Italy's attitude towards Germany.

With reference to my report No. I 272 of May 11.¹

The tendency, noticeable here, towards improving relations with Germany has meanwhile become more marked and, during the last few days, has increased so much that one might almost speak of a reversal of Italy's attitude towards Germany. Although the Rome correspondent's report in *Le Temps* of May 24, that on reading the press here one might gain the impression of being back in the period when relations between Germany and Italy were at their best and the Austrian problem had not yet become acute, is in fact greatly exaggerated, it is none the less true that a change in the attitude of the

¹ Not printed (7826/E567952-55).

Italian press is clearly recognizable. This is directly inspired, as I was able to ascertain, by official instructions from above. That, moreover, in his speech before Parliament on May 25,² Mussolini expressly agreed with the Führer that the only question outstanding between Germany and Italy was that of Austria—albeit adding with great emphasis that this was a question of fundamental importance; that he consciously avoided going into those passages in the Führer's speech³ which might have offended Italian sensibilities; and that, finally, he told the former German Air Attaché in Rome, Herr von Waldau, at his farewell audience that a political reorientation must be brought about (see my telegram No. 111 of May 25),⁴ all this represents a remarkable change as compared with the statements that were made to us only a short time ago.

In seeking reasons for the change in the Italian attitude we must not conceal from ourselves the fact that from our point of view these are primarily, so to speak, negative in character. They are to be sought in the first place in Italy's suspicion and annoyance over the Franco-Russian⁵ and the Czechoslovak-Russian⁶ Pacts, and also in her bitterness over the French and, above all, the English attitude in the Abyssinian question; characteristic of the Italian attitude towards France is the cool tone in which Mussolini spoke of Italo-French relations in his above-mentioned speech before Parliament. Finally, the efforts to smooth over the differences between the Little Entente and Hungary in respect of the Danubian Pact have hitherto been unsuccessful, so that great scepticism is beginning to take root in this respect. (See my report No. I 307 of today's date.⁷)

To the above-mentioned reasons for the shift in Italian opinion may further be added the fact that the Führer's speech of May 25 [*sic*: 21] has had a considerable effect here and has eased the way for friendlier consultations between Germany and Italy. We should, however, cherish no exaggerated ideas about the extent or the stability of the atmosphere thus created. Italy's most immediate aim is to demonstrate to the Western Powers that she can manage without them and can revert to the old position of balance between them and Germany—possibly with a bias towards the latter. On the other hand, Mussolini will not lightly surrender the position of "solidarity" with Britain and France so laboriously built up at Stresa,⁸ as long as the nightmare [*cauchemar*] of the "German danger" in Austria weighs upon Italian policy. It is, however, worthy of note that below the surface there is an increasing tendency to regard Italy's one-sided

² See *The Times* of May 27, 1935.

³ See Editors' Note, p. 171.

⁴ Document No. 109.

⁵ Signed in Paris on May 2, 1935; see document No. 70, footnote 1.

⁶ Signed in Prague on May 16, 1935; see document No. 105, footnote 4.

⁷ Not printed (7826/E567980-81).

⁸ See document No. 87 and footnotes thereto.

concentration on this problem as a mistake which is now beginning to have disastrous results. These criticisms have received fresh support from Mussolini's speech with its gesture of refusal towards nailing Italy down to the "Watch on the Brenner"; as far as individuals are concerned, these criticisms are directed against Suvich, who is being held to blame for this mistake. (See also my report of today, No. I 308,⁹ on the position of Italian policy *vis-à-vis* Abyssinia.)

Such being the situation, there does in fact exist a chance today,¹⁰ by clever handling of the Austrian problem, however "tangled" it may be, and by marked reserve in the Abyssinian question, of exploiting this present Italian mood, in order to make a breach in the ring of our opponents.¹¹

HASSELL

⁹ Not printed (8015/E576055-58).

¹⁰ Marginal note in Neurath's handwriting: "It will improve yet further."

¹¹ Marginal notes: (i) "[For the] R[eich] C[hancellor]. v. N[eurath], June 3." (ii) "L[ammers], June 4."

No. 121

5737/H029321-24

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 119 of May 30

ROME, May 31, 1935—12 noon.

Received May 31—3:30 p.m.

II It. 873.

Upon my return¹ I had a long interview today with Mussolini, during which I described to him the impressions I had gained in Berlin. I first pointed out the passage in the Führer's speech² on the absence of a conflict of interests between Germany and Italy except over the Austrian question, to which he replied that he had fully grasped its importance and that he appreciated it. I then stressed that if the Italians had always desired the Führer clearly to define his attitude regarding Austria's independence, such a statement did now exist in the clearest and most complete form. I was actually surprised to find that the Italian press was not yet completely satisfied but saw a reservation in the remark that ideas knew no frontiers, although surely this was axiomatic, especially to Italians. Mussolini replied that he did indeed value the Führer's statement as constituting a decided step forward along the road to German-Italian understanding. Nor did he see any reservation in the afore-mentioned sentence; but it was easy to understand that the press should at first have been doubtful upon this point. I then said that to us the

¹ See also document No. 87.

² See Editors' Note, p. 171.

formula meant quite simply: "We will keep our hands off; will Italy do the same?" In *Le Temps* of May 27, I had seen in the comment on the Duce's speech³ a statement that the criterion of international interest in Austrian independence would permit of action being taken not only against Germany but also against the will of a National Socialist Austria. This view, I said, must be decisively rejected; he agreed, adding that, in fact, it would be going too far. Mussolini also agreed to the formula of "hands off" and said that our first task must now be to soothe the press and feelings in both countries so that, having cleared the air, we might find an objective solution to the only point of difference between us. I said I agreed with this statement, which I took to mean that the Austrian dispute would gradually have to be eliminated, and I pointed out that we had once more issued strict instructions to the German press. Mussolini said that he had done likewise and had, for example, not allowed to be published, because of their psychological effect, the passages in the Führer's speech dealing with changes of names.

He then turned to the Danubian Pact, the Eastern Pact, the Russian Pact, the Locarno and the Air Pacts (concerning which I would refer to my yesterday's telegram [*sic*]⁴ about my conversation with Suvich and to my reports of today, I 307,⁵ 308⁶ and 309⁷). Mussolini was informed of my conversation with Suvich and said in respect of the Locarno Pact that to his mind the Franco-Russian Pact⁸ violated the spirit of Locarno, but, as a result of clever legal drafting, perhaps not the letter. I requested him to read the Memorandum⁹ again closely. In answer to his question as to what our Memorandum was meant to achieve, I said that we were satisfied to have made our protest; apart from this we only wished that the other Powers might recognize the inadmissibility of unilateral interpretations or alterations. When I pointed out the special danger of the Czech-Russian Pact¹⁰ he replied that both the French and the Czech Pact, as he had already publicly stated, had caused a serious dislocation of the whole international situation, and he took a very serious view of the developments, firstly because they opened the way to increased Communist propaganda, which, although it did not penetrate into Italy herself, might influence other countries, and thus also Italians living abroad, especially in France. He had also made very strong representations to the Russian Ambassador about the anti-

³ To the Chamber of Deputies on May 25; see *The Times* of May 27, 1935.

⁴ Hassell reported on his conversation with Suvich in three telegrams, Nos. 115 (8753/E610682), 116 (M185/M005940) and 117 (7846/E569293) of May 29.

⁵ Not printed (7826/E567980-81).

⁶ Not printed (8015/E576055-58).

⁷ Document No. 120.

⁸ Signed in Paris, May 2, 1935; see document No. 70, footnote 1.

⁹ See document No. 107, enclosure.

¹⁰ Signed in Prague on May 16, 1935; see document No. 105, footnote 4.

Italian manifesto on the Abyssinian question issued by the Third International. Here I reminded him of the Führer's statements on Bolshevik policy. The second danger lay in a systematic advance by Russia, in the old pan-Slav tradition, supported by Czechoslovakia and Turkey. Today Turkey was to Russia what Portugal was to Britain, and the Little Entente and the Balkan Entente now really formed a whole. Hence the great difficulties in the way of the Danubian Pact, which still was a long way off completion. I repeated the statements I had made to Suvich,⁴ whereupon he veered rather sharply away from the idea of a bilateral pact alongside the Danubian Pact. He did the same thing in respect of the Air Pact, stating definitely, in reply to my question, that Italy was not striving for a bilateral pact but wished a general pact between all the Air Powers in such a form as to render any special pact, for example between France and Britain, or between Italy and France, superfluous.

I then laid special emphasis on Germany's neutrality and reserve in the Abyssinian question. He acknowledged this and then made a long and passionate statement on the necessity of Italy's pursuing her policy in the vital interest of her colonies and at the same time in the general interest of the white man. Italy would not allow herself to be deflected from her chosen path by any power on earth, neither by the League of Nations, nor by Britain, nor France, nor anybody else. I asked what were the aims of Italian policy. He replied: the elimination of Abyssinia as a military Power. When I answered that this was scarcely compatible with the independence of Abyssinia, he said then it would be up to the lawyers and diplomats to find a way out. I asked him how he thought Britain would react to this. He replied that even Britain would not be able to deflect Italy from her course and that moreover Italy was prepared to guarantee both British interests in the region of Lake Tana and French interests on the . . . (group mutilated) line. Japan would not create any difficulties. Italy was on the best possible terms with the Arab States. I remarked that the Negus would scarcely agree to this matter willingly, whereupon he said that in that case the guns would have to speak. He was well aware of the difficulty and the wearisomeness of the undertaking; to choose this path demanded the courage of profound convictions, but Italy would tread it to the end in all circumstances and with all the means at her disposal.

HASSELL

No. 122

2368/494126; 32-34

Memorandum by the State Secretary

BERLIN, May 31, 1935.

In accordance with instructions¹ I asked the British Ambassador to come and see me today and gave him our reply to the seven questions which he had put to the Foreign Minister on May 24² concerning the Führer and Chancellor's speech to the Reichstag. The Ambassador asked only a few further questions. He compared our reply, which he wrote down verbatim, with the instructions he had received from his Government at the time. It appears to me, from a remark which he at once let fall, that the point which was subsequently deleted from the British questionnaire referred to the non-aggression pacts.

For Department III only:

The English text of my statement to the British Ambassador is attached, as is the original German text;³ the latter I would ask you to return. You should inform the Embassy in London and the other Missions concerned.⁴

BÜLOW

[Enclosure]

DRAFT

OF A *VERBAL* ANSWER TO THE QUESTIONS OF THE BRITISH AMBASSADOR

The speech of the Leader and Reich Chancellor gives in the most open manner the guiding principles of German foreign policy and concludes with 13 points, which give the standpoint of the German Government to the actual problems of the time. Everything which Germany can say at the moment to these problems is thus as clearly and distinctly laid down as it possibly can be at this time. None of the other Governments concerned in these problems at the moment have as yet proclaimed their intentions so exhaustively. The German Government cannot see how they can now make their standpoint any more precise by means of "difinitions" [*sic*]. No Government will be in the position finally to lay down beforehand what their attitude will be in future in all concrete individual points and thus deliver themselves into the hands of the other powers one-

¹ Not found.² See document No. 102.³ The English text is printed as the enclosure; the German text is not printed (2368/494127-31).⁴ In a minute of June 1 (3317/E007714), Dieckhoff recorded that Ribbentrop and the Missions concerned had been informed.

sidedly while the latter reserve complete freedom of action for themselves.

The following remarks may be made to the individual questions put:

(1) To the first question, which concerns the League of Nations, it can only be said that a return of Germany to the Geneva institution cannot be considered until Germany's international status in comparison with the international status of the other Great Powers no longer in any way implies a differentiation to her disadvantage. The at present existing differentiations could not, of course, be removed by a purely formal separation of the Covenant of the League from the remaining text of the Treaty of Versailles.

(2) The statement of the Leader and Reich Chancellor to (2) is to the effect that the German Government have not disassociated themselves from certain articles of the Treaty of Versailles by means of an arbitrary decision, but that they were compelled to adopt those measures which they did, as a result of the conduct of the other Powers—which constituted a breach of the Treaty—and that these their measures were therefore limited to those provisions of the Treaty which were affected by the conduct of the other Powers. That is, all those provisions of the Treaty of Versailles concerning the military status of Germany excepting the provisions as to the demilitarized zone, which were mentioned in point (3) of the declaration of the Leader and Reich Chancellor. The measures which the German Government have now adopted do not extend to the other provisions of the Treaty of Versailles.

As regards these other provisions however, as stated in the speech of the Leader and Reich Chancellor, the possibility of a revision by means of a peaceful understanding must be kept open, so far as such a revision may appear necessary in the course of future developments.

(3) As regards the Eastern Pact, the German Government have recently received notice of new proposals from France and Soviet Russia, which proposals they intend to await.

(4) The number given to the British Air Attaché of some 2 000 active aeroplanes in the French air fleet refers to those aeroplanes stationed in France and her North-African possessions, including naval aeroplanes.

(5) There can be no revision of the standpoint laid down in point (8) of the declaration of the Leader and Reich Chancellor to the effect that Germany demands parity in the air with the other Western Powers.

(6) The German draft of an air pact has been handed to the British Government by the German Ambassador in London.⁵

(7) The statements of the Leader and Reich Chancellor to point (8)

⁵ See documents Nos. 106 and enclosure thereto, and 113.

proceed from the fact that, after the whole course of the disarmament negotiations, there is no prospect whatever of a general reduction of armaments, including the strength of effectives. In order therefore to remain within the bounds of the possible the German suggestions are limited to the possibility of so-called qualitative limitation of armaments.

No. 123

5552/E394515-16

Memorandum by the Director of Department IV

[BERLIN, May 31, 1935.]

e.o. IV Po. 3666.

HIGH-LEVEL CONFERENCE CONCERNING DANZIG HELD AT THE
REICHSBANK ON MAY 31, 1935.¹

The following were present:

President of the Reichsbank Schacht
Reich War Minister von Blomberg
Reich Finance Minister Count Schwerin von Krosigk
State Secretary von Bülow
Vice President Dreyse
Staatsrat Neumann²
Ministerialdirektor Tischbein³
Ministerialdirektor Meyer
Ministerialrat Forkel
Oberregierungsrat Burmeister.⁴

At Herr Schacht's request Herr von Blomberg spoke first and said that he himself was directly interested in Danzig only on account of the Landespolizei, which, in view of German rearmament, was no longer an essential consideration. He categorically rejected the idea of an allocation of foreign exchange.

President of the Reichsbank Schacht described the foreign exchange situation, which was visibly and steadily deteriorating, and said that he was unable to make any foreign exchange available to Danzig; if he were ordered to do so he would of course obey. The 30 million [Reichsmark] which, according to the Reich Finance Ministry's estimate,⁵ Danzig required, would have to be obtained from increased imports and from retrenchments.

¹ See also document No. 112 and footnote 3 thereto.

² See document No. 112, footnote 2.

³ Of the Reich War Ministry.

⁴ See document No. 103 and footnote 3 thereto.

⁵ The reference is to the Reich Finance Ministry's memorandum of May 30 on the currency and financial situation in Danzig (5552/E394520-29), of which the Foreign Ministry received a copy under cover of a letter of May 31 (5552/E394519).

Ministerialrat Forkel of the Reich Ministry of Economics stated that it would only be possible to import a limited quantity of goods, at most to a value of 8 to 10 millions. Oberregierungsrat Burmeister considered this figure to be extremely optimistic.

State Secretary von Bülow laid great emphasis on the political necessity of holding Danzig; it was absolutely essential that Danzig's financial and economic position should first be put straight; to this end he suggested that Herr Helferich, the President of the Preussenkasse,⁶ be appointed financial and economic dictator with full powers in Danzig. It was of course self-evident that the population of Danzig would also have to make considerable sacrifices, but the aid which would then still be required would have to be given by Germany.

Reich Finance Minister von Krosigk approved of the suggestion of appointing a financial dictator, but pointed out the difficulties he would probably encounter as a result of the internal political situation in Danzig.

Ministerialdirektor Meyer emphasized that the financial dictator could not fulfil his task without foreign exchange.

It was decided to suggest at once to the Führer that Herr Helferich be appointed financial dictator, and to submit the question of an allocation of foreign exchange to him for decision.

MEYER

⁶ An abbreviation of Preussische Zentralgenossenschaftskasse, the Prussian Central Cooperative Bank.

No. 124

5737/H020331

The State Secretary to the State Secretary in the Reich Ministry for Public Enlightenment and Propaganda

Express Letter

BERLIN, June 1, 1935.
e.o. II It. 882.

The Italian Ambassador has made renewed representations here¹ because a section of the German provincial press is not adhering to the agreement reached between the Reich Foreign Minister and himself, and between the Italian Minister President and the German Ambassador in Rome, concerning the cessation of the mutual press attacks.² I would recall that the Führer and Chancellor has ordered the cessa-

¹ Neurath had recorded complaints by the Italian Ambassador about the attitude of the German press in memoranda RM 434 of May 24 (2784/540386-87) and RM 444 of May 28 (2784/540388). See also document No. 63.

² No record of such specific arrangements has been found, but in his memorandum of May 24 (see footnote 1 above) Neurath recorded that Cerruti had stated that Mussolini wished the press war to cease, to which Neurath had replied that this was also Germany's intention. See also documents Nos. 63, 87 and 121.

tion of press attacks against Italy,³ and I request that compliance with these instructions be insisted upon. This primarily concerns the Munich press, which has been disobeying the above instructions even during the last few days, and against which the Italian Government, for obvious reasons, react with particular touchiness.

BÜLOW

³ In a minute to Senior Counsellor Aschmann of Jan. 12, 1935 (8033/E577841), Neurath stated "The Chancellor has declared that a press campaign against Italy is undesirable [*abwegig*] and must not take place." No later directive to this effect has been found.

No. 125

8554/E598545-46

The Minister in Switzerland to the Foreign Ministry

B 829

BERNE, June 1, 1935.

Received June 3.

II R 1371.

Subject: Switzerland's reaction to the Führer and Chancellor's speech of May 21.¹

The Swiss Foreign Minister, Federal Councillor Motta, listened to the broadcast of the Führer and Chancellor's speech during the session of the League of Nations in Geneva.² He was, so he told me today, greatly impressed by the deep and sincere desire for peace which made itself felt throughout the speech. After the speech Laval said to Motta: "There are good points in it and points which are not so good—at all events it provides a point of departure for negotiations."

Motta was of course particularly interested in the hopes of Germany's possible return to Geneva which could be derived from the speech. He himself, however, did not rate these hopes very high.

Federal Councillor Motta dwelt at some length on the words which the Führer and Chancellor had addressed to Switzerland. He expressed his pleasure at the recognition of the real independence and autonomy of the Confederation. This satisfaction was also shared by his colleagues on the Federal Council.

Motta then went on to say that he wished to tell me quite frankly that he would have been better pleased if Switzerland had not been mentioned in the speech in connection or in comparison with Austria. Herr Schuschnigg had, indeed, taken up this point at once.

It is true that there was also a certain amount of criticism in the Swiss press on this point. The more important newspapers could not bring themselves to express unqualified approval of the passage in the speech concerning Switzerland. The less important papers were more sympathetic in this respect.

¹ See Editors' note, p. 171.

² i.e., the Eighty-Sixth Session of the Council of the League of Nations, held May 20-25.

Even if public opinion but grudgingly admits that the Führer and Chancellor has considerably relieved the fears of the Swiss about Germany, nevertheless this is in fact the case. It is to be hoped that this will also have its effect at the forthcoming debate in the National Council on the question of tolerating NSDAP organizations in Switzerland, to which the Jacob case³ has given rise.

WEIZSÄCKER

³ Berthold Jacob, also known as Salomon, a German-Jewish refugee journalist living at Strasbourg, was enticed by German agents to Basle, where he was kidnapped on Mar. 9, 1935, and brought to Germany. The Swiss Government protested vigorously against this infringement of Swiss sovereignty and invoked the German-Swiss Arbitration Treaty of 1921. In a memorandum of Sept. 9, 1935 (8734/E610021), Bülow recorded that Hitler had given orders for Jacob's release; he was handed over to the Swiss authorities at Basle on Sept. 17. Documents on this incident have been filmed on Serials 1591, 3015, 8734 and M 220.

No. 126

5552/E394512-13

The State Secretary to the Reich Finance Minister

BERLIN, June 3, 1935.

e.o. IV Po. 3713.

In the conference between the Führer and Chancellor, the Foreign Minister and the War Minister in Munich on May 31,¹ it was decided that Danzig should be held. As a first step in affording assistance, Herr Helferich, the President of the Preussenkasse,² is to be sent to Danzig immediately. Apart from this, Danzig is to be supported in every possible way by the delivery of German goods. Moreover, the foreign exchange absolutely necessary for the support of Danzig is to be made available; this should not, however, be done at the expense of the arms industry, but, if necessary, at the expense of the import of luxury foods, beverages and tobacco [*Genussmittel*]. Furthermore, frozen Danzig credits to the amount of 15 million RM are to be released.

I should be grateful if you could inform President Helferich as soon as possible of the Führer and Chancellor's decision. I would also suggest that you invite Herr Helferich to cooperate in drawing up his instructions, for which it would be desirable to obtain the Führer and Chancellor's approval.³

¹ A note in Meyer's handwriting (5552/E394532) reads: "Information from Herr Kotze about the conference with the Führer, May 31, 1935: (1) Danzig must be held. (2) Helferich to be sent as a first step. (3) Aid through goods. (4) Aid through foreign exchange, not at expense of rearmament, but possibly at expense of import of luxury foodstuffs (Darré). (5) Our debts, amounting to 15 million, must be paid."

² See document No. 123, footnote 6.

³ In his reply of June 4 (5552/E394503) Schwerin von Krosigk stated that Helferich's instructions should be drawn up by Neurath, who should also obtain Hitler's approval.

Both President Schacht and Staatsrat Neumann of the Prussian Ministry of State have received a copy of this letter.

V. BÜLOW

No. 127

6695/H103271-72

The Ambassador in France to the Foreign Ministry

Telegram en clair

No. 587 of June 3

PARIS, June 3, 1935.

Received June 3—10:10 p.m.

IV Ru. 2165.

The [Foreign] Minister this evening handed me the following Memorandum:¹

"In a Note communicated to the British Ministers during their visit to Berlin² and confirmed by a declaration made by the Minister for Foreign Affairs of the Reich to the British Ambassador on April 12 last,³ which Note was to have been communicated to the French Government, the German Government made known the points which in their opinion might serve as the basis of a treaty concerning Eastern Europe. These points can be summarized as follows:

"The Contracting Powers would mutually undertake not to have recourse to aggression nor to resort to force in any form. These same Powers would undertake to ensure by appropriate means and to the extent to which this might still be necessary, a peaceful settlement of such issues as might arise between them. The Contracting Powers would undertake to proceed to consultation with a view to maintaining peace in case one of them should consider itself threatened by an attack or resort to force on the part of another Contracting Power.

"In case, however, hostilities should break out between two Contracting Powers, the other Contracting Powers would be bound not to furnish any assistance to the aggressor State.

"The French Government, who have already had the opportunity of exchanging views with the German Government on the subject of a treaty concerning Eastern Europe, appreciate to the full the value of the suggestions made by Herr von Neurath and note with pleasure that those suggestions accept the principle of the conclusion of a regional treaty of non-aggression and consultation.

"They have the honour to inform the Government of the Reich that, subject to the reservation of certain points to be elucidated, such as, in particular, the method of settling disputes, the functioning of the procedures laid down by the Covenant of the League of

¹ The text of the Memorandum is in French in the original.

² See vol. III of this Series, document No. 564, enclosure.

³ See document No. 24.

Nations, and the rights and obligations of its members—points which they are now prepared to discuss with the Reich Government—the French Government consider that these suggestions might profitably serve as a basis for negotiations. They would be happy to learn as soon as possible what method seems to the German Government most practicable for proceeding to the proposed exchange of views between them. Paris, June 3, 1935.”

A further report follows tomorrow.

KÖSTER

No. 128

8911/E622023-29

The Minister in Czechoslovakia to the Foreign Ministry

A IV 1 b 27

PRAGUE, June 3, 1935.

A III 1 b 8 Eg.

Received June 11.

[II] Ts. 1134.

POLITICAL REPORT

Subject: Conversation with Beneš.

Minister Beneš sent for me today.

I. *Lampersberger Case.* First of all he expressed his pleasure and satisfaction at the settlement of the Lampersberger case.¹ He would also see that the press handled the matter tactfully. Little though the *émigré* who had been handed back mattered to him, it gave him great pleasure that the public sense of justice in Czechoslovakia had been satisfied.

II. *The émigré question.* Beneš then at once turned to the *émigrés* in general. Although Berlin had already once rejected his proposal for achieving, by means of an agreement, fixed principles for the mutual treatment of *émigrés*,² nevertheless he still considered that this proposal was the right one and that the main lines needed to be straightened out; he was raising it elsewhere for consideration.

The Government in Berlin had told his Minister at the time that the general principles of international law sufficed. In his experience that was not the case. The principles of international law were vague, disputed, imprecisely formulated or not formulated at all, and generally came off worst, in a democratic State at least, in competition with the concrete laws on the protection of persons, freedom of the press and the like. In present circumstances it was impossible for him to be in full control of *émigrés* active against Germany—and he also had to deal with others from Poland and Austria. He required an

¹ See document No. 89, footnote 2.

² See vol. III of this Series, documents Nos. 511 and 523.

international treaty which he could hold under the noses of the *émigrés'* friends, particularly the Socialists.

I countered by saying that the deception perpetrated in the name of the law in this matter was well-nigh intolerable by now. For years now papers such as *Der Gegen-Angriff*, *Neue Vorwärts*, *Die deutsche Revolution*, *Der Simpl*, and so on, had been appearing in Prague and Carlsbad, papers which were neither intended for, nor sold nor read in, Czechoslovakia. They were, on the contrary, edited and printed exclusively with Germany in view and were taken surreptitiously across the frontier. They fraudulently enjoyed the full protection of the press law, although in fact they did not belong to the press of this country at all and really represented nothing more than a cunning method of meddling in the internal politics of a neighbouring State.

These were just the things, Dr. Beneš said, with which he wanted to come to grips. He wanted to put an end to the activities of political *émigrés* in his country. He and his Office neither knew, nor had they ever had any relations with, these people and they wanted to render them harmless.

I broke in upon him here to say that this last remark appeared to me to be more outrageous than anything said so far. I was in a position to place before him the latest number of Otto Strasser's *Die deutsche Revolution* which, on the first page, accurately and fully reproduced a "personal and oral discussion" between Minister Krofta and myself on the Black Front's plans for forging money. This conversation had taken place on official premises without witnesses.³ It would therefore appear either that intimate and confidential relations existed between senior officials of the Foreign Ministry and the *émigrés*, or that the Office was infiltrated with confidants of the *émigrés*. It simply could not be asserted that the Office had no contacts with the *émigrés*; rather was it the case that these contacts were so close that it was necessary to consider whether any confidential conversations at all could still be held with officials of the foreign service.

Beneš seemed to be disagreeably affected by these observations; he made copious notes, then stated abruptly that he did not know the paper *Die deutsche Revolution* and changed the subject.

If I were to mark all the untruths and half-truths uttered by Beneš in a conversation such as this, I should have to place an exclamation mark in parentheses after almost every sentence.⁴ In one point however I consider him to be sincere, namely, in the reasons he gives for his proposal for concluding an agreement on the treatment of *émigrés*

³ No report on a conversation on this subject has been found in the Foreign Ministry archives.

⁴ This sentence has been sidelined by Neurath.

indulging in political activity; but here, too, he conceals the major part.

1) The Czech Governmental parties are divided about the treatment of the *émigrés*. The right-wing parties, particularly the Agrarians, would like the *émigrés* to be silenced; the left-wing parties, particularly the Social Democrats, spur them on to even more radical action. The Right invoke the usages of international law, the Left the laws of the State governing freedom. Beneš stands in between; he needs both parties. An inter-State treaty would help him out of his dilemma. He would have a basis on which to create order in the right-wing sense and the Left would abandon their objections, on the grounds that the agreement would be reciprocal. From this arises the second main reason.

2) Beneš foresees that, in the not too distant future, it must come to a conflict with the Sudeten German Front and that a large number of the more radical elements will then cross, or will be forced to cross, the frontier. Czechoslovakia will then be in the same position in which Germany has been for two years and will have her own *émigrés*. To muzzle them in good time is the second and perhaps the most important reason for the Beneš pact offer.⁵

I admit that I am naturally strongly in favour of a pact on the treatment of *émigrés*. The unimpeded activities of these people in recent years has done the Reich inestimable harm and caused an enormous loss of prestige throughout the world. If a change could be brought about here, it would be well worth while attempting to reach agreement on certain principles. I would not be put off by the fact that any future Sudeten German *émigrés* would be more severely restricted by these principles. However great the damage which *émigrés* are in the habit of doing to a régime which they oppose, yet their usefulness to the cause which they espouse tends to be very small.

If Beneš had made us his proposal for an agreement two years ago, when the effect of the *émigré* movement was at its height, these considerations would indeed have been relevant. But the catch lies precisely in the fact that the proposal is made at a time⁶ when the activities of our *émigrés* have decreased considerably, when public interest has greatly diminished, and when the main advantages of such an agreement lie with Beneš.⁷

III. *The Czech-Russian Treaty.* Minister Beneš next mentioned that in a few days he was going to Moscow for the exchange of [ratifications of] the Mutual Assistance Pact. He very strongly

⁵ Marginal note in Neurath's handwriting against this sentence: "!"

⁶ This passage has been sidelined by Neurath.

⁷ In a despatch of July 10 (8911/E622040-42), Köpke informed the Legation at Prague that the Foreign Ministry did not intend to enter into negotiations for a settlement of the *émigré* question.

emphasized in this connection that it was merely a matter of a formal instrument, that there was no question of any additional secret treaties, but only of a few minor economic agreements to be simultaneously signed, and that these contained no mention of agreements on military rights of passage or transit flights or other military clauses. He asked me to inform my Government of this.

I replied that I would certainly do this but did not believe that my Government would be greatly impressed. My Government had already formed their own opinion of a Treaty which was unilaterally and exclusively directed against Germany who, for her part, had not given Czechoslovakia the slightest occasion for it. I took this opportunity to lay bluntly before M. Beneš the arguments contained in your despatch IV Ru. 1988 of May 25, 1935.⁸

Beneš thereupon became very agitated. He said that his attitude was being completely misinterpreted. His policy would always be oriented towards the West; he had no intention whatever of going over to Russia. Was he really considered so unscrupulous as to allow his country to become a glacis for a Russian deployment and to expose it to utter destruction?

On the other hand, one must think of the geographic situation of his State! Every conflict involving Central Europe would automatically affect it and expose it to the danger of becoming a theatre of war. This was a much more threatening prospect since Germany had again become a fully armed great Power and the Soviet Union a factor in European affairs. In these circumstances there was no alternative for Czechoslovakia, if she did not wish to be ground between two millstones, but to incline towards one side or the other, and to protect herself by treaties which were as collective as possible. This was simply a question of the urge for self-preservation.

IV. *The Non-Aggression Pact.* Finally, Beneš mentioned that he had taken note with due attention of the offer made by the Führer in his Reichstag speech⁹ to the effect that he was prepared to conclude non-aggression pacts with neighbouring States. He, Beneš, was also in sympathy with this idea. If, as he hoped and expected, a certain *détente* developed between France and Germany, he wished even now to declare that he would readily take part in any easing of the situation which might emerge from it. When he wrote his post-war memoirs they would make clear that he, more than anyone, had always worked to bring about a reconciliation between Germany and France (!)¹⁰

I replied that it was certainly open to him to approach the Foreign Ministry in Berlin about a non-aggression pact at such time as might

⁸ Document No. 105.

⁹ Of May 21; see Editors' Note, p. 171.

¹⁰ Marginal note in Neurath's handwriting against this sentence: "?"

appear suitable to him. I do not believe that this will happen very soon, although I believe I perceive the motives which might impel Beneš to take such a step. For him it is a question of getting the Sudeten Germans completely into his hands—a plan which will compel us to proceed with some degree of caution.

I have the impression that Beneš fears that his ship of state might be driven still further eastward. The Treaty with Russia, the Little Entente which is becoming ever more closely linked with the Balkan Pact—these are all ties with the East, which may one day impede Beneš' efforts to conduct a "Western" policy, i.e., to stick to France through thick and thin. He wants to protect himself against the possibility of a political shift in the West, when his country might be "left behind". To indicate this to me was clearly the true reason for the conversation held at his request.

Beneš goes to Moscow this week and then on to Bled for the conference of the Little Entente; he is not expected back in Prague before the end of the month.

Dr. KOCH

No. 129

6695/H103273-77

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 590 of June 4

PARIS, June 4, 1935.

Received June 4—6:50 p.m.

IV Ru. 2179.

With reference to my telegram No. 587.¹

Yesterday evening Laval asked me to come and see him and told me the following:

He wished to discuss with me in detail during the next few days the views on the Franco-Russian Treaty which we had set down in writing.² He could assure me at once that our fears were groundless, both legally and in point of fact. I must know, from previous discussions, that he for his part had taken every precaution to prevent France from entering into obligations outside the scope of Article 16 of the Covenant of the League of Nations. Not merely that; he had intended that Article 2 of the Protocol of Signature should make it clear that France had every interest in preventing any infringement of the spirit or the letter of the Locarno Treaty. We would be discussing the details in due course, but he wished to ask me at once, on the strength of our relationship of mutual trust, to take steps to

¹ Document No. 127.

² See document No. 107 and enclosure thereto.

see that the German Government did not make use of the French Government's frank disclosure to them of their point of view to give the world, and especially her Russian co-signatory, the impression that France had signed a treaty which was in actual fact only a scrap of paper. The disquiet which this might arouse in her Russian co-signatory could lead to a new atmosphere of mistrust which would not be in the interests of European policy. He, Laval, regarded the Franco-Russian Treaty as primarily a factor in assuaging the Russian fear of a German attack and thus inducing Russia to cooperate effectively in restoring conditions to normal in Europe. At the beginning the Russians had not understood France's policy and had attempted to induce her to take up a position which would not have accorded with her peace policy, but France had not allowed herself to be deflected from her aims and in the end the Russians had had to be satisfied with the present Treaty; in any case we would receive a written reply to our Memorandum, and he, Laval, hoped that this reply would be such as to dispose of all the German Government's misgivings.

The object of his having asked me to come and see him, however, was quite other. Through the British Foreign Minister, Baron von Neurath had informed those attending the Stresa Conference³ that Germany was prepared to sign a treaty of non-aggression and consultation etc. with all countries, even if other Powers had in the meanwhile assumed military obligations towards one another. The French Government had warmly welcomed this information, and he, Laval, regarded it as the starting-point for a policy which entirely coincided with his own views. I was aware of his views on relations between Germany and France and I must know that he would allow nothing to deflect him from his intention of doing all he could to bring about understanding and harmony. This could, however, in his opinion only be achieved within the general framework of the joint interests of all the European countries. He had, therefore, put his thoughts in writing. He emphasized that this step had been taken solely through his own personal initiative. Laval then read out to me the Memorandum which I have already reported in my [telegram] No. 587 of yesterday evening. Germany could thus see, the Foreign Minister continued, that France was making Germany's proposed course of action her own, and he was convinced that, if the French train of thought were accepted, not only in France but also in Europe, this would bring about an appreciable easing of tension which would in the first place benefit Franco-German relations. He, the Foreign Minister, had, in particular, been encouraged by his conversation with General Göring in Cracow⁴ to make the proposal communi-

³ See document No. 29.

⁴ Held on May 18; see document No. 98, footnote 2.

cated to me. He had got on extremely well with General Göring, whose political vision and whose candor he had very much appreciated. It had been the easier for him immediately to establish close contact with Herr Göring since he had had the impression that the General urgently desired to discuss international problems with him, especially relations between Germany and France. He had realized that this had been his intention if only from the fact that the General had brought with him an interpreter⁵ whom he remembered from his negotiations with Reich Chancellor Brüning⁶ and whom he greatly esteemed. At this early stage he [Laval] had informed Herr Göring that immediately upon his return to Paris he would make proposals to the German Government for a treaty of non-aggression and consultation on the lines of the Reich Foreign Minister's proposal. But the Cabinet crisis⁷ had prevented him from carrying out this intention immediately. He had in any case not concealed from General Göring that he considered that the German-French understanding, desired by both the General and himself, could not be realized by means of bipartite negotiations but only on an international basis which would guarantee Germany's intention of remaining at peace with all the countries of Europe. The Foreign Minister repeated that all his hopes now rested on Germany's accepting these proposals.

I confined myself to accepting the Foreign Minister's statement and assuring him that I would at once bring his observations to my Government's attention.

1) My personal impression is that the Foreign Minister fears that, in the event of a parliamentary debate on the Franco-Russian Treaty, he will be attacked by French public opinion on the grounds that France has allowed the Russians to manoeuvre her into a position where her opponents both at home and abroad can more easily show that, by signing this Treaty, she has not only not advanced the cause of peace in Europe but has indeed harmed it. The Foreign Minister could best counter such a reproach were he able to show either that a treaty, as proposed by him, between the States principally interested in Eastern affairs had meanwhile been concluded, or that we had rejected his proposal on this limited basis.

2) The French Government seem to fear that the German-British negotiations for a Western European Air Pact will achieve results, satisfactory to both parties, which France, if she did not wish to appear to be a trouble-maker, would then have to accept in the form agreed between Britain and Germany. France also seems to fear that the

⁵ Paul Schmidt; for his account of the Göring-Laval conversation see his book *Statistik auf diplomatischer Bühne, 1923-45* (Bonn, 1949), pp. 307-310.

⁶ Apparently a reference to the visit of Brüning and Curtius to Paris in July 1931. Laval was at that time French Minister President.

⁷ This occurred at the end of May 1935; on June 1 Flandin was replaced by Fernand Bouisson as Minister President, with Laval remaining in office as Foreign Minister.

British will not respect her desire to deal with the other ideas set forth in the London Communiqué⁸ as one self-contained whole.⁹

KÖSTER

⁸ i.e., the Joint Anglo-French Declaration of February 3, 1935; for the text see British Blue Book, Cmd. 5143 of 1936, No. 5.

⁹ Copies of the document here printed and of document No. 127 were sent to the Missions in London, Rome, Moscow, Warsaw, Kovno, Riga, Tallinn, Helsinki and Prague, under cover of a circular of June 5 (6695/H103278-79), which stated that no corresponding communication had been received from the Soviet Government, and that German comment would be deferred until the French memorandum in reply to document No. 107 had been received. The Embassy in Warsaw were additionally instructed to inform Beck of the contents of document No. 127 and that the German Government would get in touch with the Polish Government before replying to the French.

No. 130

5552/E394491-92

The Foreign Minister to the Führer and Chancellor

BERLIN, June 4, 1935.

IV Po. 3752.

DEAR REICH CHANCELLOR: In accordance with the decision reached at our discussion last Friday,¹ Dr. Helferich has been informed through the Reich Finance Minister of your decision to continue to aid Danzig. He is to set out for Danzig in the course of the next few days.

A communication from yourself to the President of the Danzig Senate would not really be feasible, since, if such a communication were to become known, it might well be construed as constituting interference in the affairs of another sovereign State.

I would therefore suggest that, in your capacity of Führer of the Party, you write to Gauleiter Forster somewhat as follows:

The difficult situation in Danzig has caused you to consider once more the question of how assistance could be afforded to the Free City. You thereupon decided, as a first step, to place the President of the Deutschenkasse,² Dr. Helferich, at the disposal of the Danzig Senate to advise on questions of finance and economy. In accordance with this, you have decreed that all branches of the Party in Danzig are to support President Helferich in his activities, to comply with all decrees issued on his recommendation and to promote their execution with all possible means.

A letter of this kind is necessary in order to give Herr Helferich the authority he will require for his difficult task.

With the German greeting,

Yours etc.,

FRHR. V. NEURATH

¹ i.e. May 31. See document No. 126 and footnote 1 thereto.

² Abbreviation for Deutsche Zentral-Genossenschaftskasse, the German Central Cooperative Bank; this was the name given to the Preussenkasse (for which see document No. 123, footnote 6) by a decree of Oct. 21, 1932.

[EDITORS' NOTE: Most of the documents on the Anglo-German Naval negotiations are taken from a special file which was put together by the Group for Naval Conferences after the conclusion of the Treaty and which closes with a memorandum dated June 27 (7790/E560018-20) by Kiderlen, listing the principal items. In order to provide the reader interested in the more technical aspects of the negotiations with a guide to the available documentation, this memorandum is reproduced below; the film references, with brief summaries, or the numbers of the documents included in this volume, have been interpolated in the text in square brackets:

"The following papers have been sent by the German Delegation to the Naval Command:

I. During the first series of meetings.

- (1) Agenda for the conversations [document No. 132, enclosure].
- (2) Telegram on the course of the conversation on June 4, 1935 [document No. 132, footnote 4].
- (3) Record of the morning session on June 4, 1935, including Ambassador von Ribbentrop's declaration [document No. 131].
- (4) Record of the afternoon session on June 4, 1935 [document No. 132].
- (5) Record of the morning session on June 5, 1935. [At this session (7790/E559784-98), after Craigie had given the British views on points 3 and 4 of the Agenda (see document No. 132, enclosure), Ribbentrop requested an early reply on whether the British Government would clearly and formally recognize the Chancellor's decision on the 100:35 ratio; if this point could be settled before Whitsun he would be prepared to resume negotiations after the holiday, but otherwise some delay might ensue.]
- (6) Record of a personal conversation between Mr. Craigie and Ambassador von Ribbentrop on the afternoon of June 5 [document No. 135].
- (7) Minute of a conversation at the Admiralty on the evening of June 5 at about 7 p.m. [document No. 136].
- (8) Conversation at the German Embassy on the evening of June 5, with 2 enclosures [document No. 137].
- (9) Record of the conversation at the Admiralty on the afternoon of June 6, 5-6 p.m. [document No. 141].
- (10) Record of the conversation at the Admiralty on the afternoon of June 7, with 4 enclosures. [At this session (7790/E559814-23) agreement was reached on the German proposal for an addition to the British draft statement (see documents Nos. 137, enclosures 1 and 2, and 141, enclosure), and on the texts of press communiqués (7790/E559825), one for immediate release and one for possible use in the event of misleading press reports during the Whitsun recess.

The remainder of the discussion was on points 6 and 7 of the Agenda (see document No. 132, enclosure), on the basis of the British papers: Sheet A (7790/E559826) "Table showing British proposals for qualitative limits" and Sheets B and C (7790/E559827-30) concerning the tentative British building programme; Sheet B is reproduced in document No. 193, as the annex to the enclosure.]

II. *During the second series of meetings.*

(i) June 13, 1935.

(1) Draft for Document I [7790/E559839].

(2) Partial draft for Document II [7790/E559840-43].

[Document I dealt with the fixing of the 35 per cent ratio and II with its application to the various categories. Both were next combined in the form of a draft agreement with supplementary protocol (7790/E559844-45).]

(ii) June 14, 1935.

(1) Record of the conversations with the Foreign Secretary and Mr. Craigie on the morning of June 14 (will be submitted as soon as it has been checked by Ambassador von Ribbentrop). [Not found.]

(2) Draft for a joint British-German declaration [not found].

(3) New German draft in English, based on the morning conversations and the papers tabled there, for a joint German-British declaration. [This draft (7790/E559846-48) is cast in the form of a Note from the British Government.]

(4) Record of the conversation in the Carlton Hotel at 6 p.m. on June 14. [At this session (7790/E559860-67) points raised in the new German draft (see item (ii) (3) above), were discussed in detail, and the German proposal for an exchange of Notes was accepted.]

(iii) June 15, 1935.

(1) New German draft of a joint Anglo-German declaration—in English with 3 enclosures—for the midday session [7790/E559849-54].

(2) Record of the conversation at the Admiralty on June 15 at 12:30 p.m. with British draft [7790/E559855-57] of a joint Anglo-German declaration. (Record will be submitted as soon as it has been checked by Ambassador von Ribbentrop.) [Not found.]

[The new German and British drafts took into account the proposals made during the evening session of June 14 (see (ii) (4) above).]

(iv) June 17, 1935.

(1) Record of the Anglo-German naval conversations in the Carlton Hotel at 6 p.m. on Monday, June 17 [document No. 154].

(v) June 18, 1935.

(1) German text of British Note [see document No. 156, enclosure 1, and footnote 1].

(2) English text of British Note [document No. 156, enclosure 1].

(3) English text of protocol of the session [at 11 a.m.] [document No. 156].

(4) German text of the protocol of the session [at 11 a.m.] [see document No. 156 and footnote 1 thereto].

(5) American Note in reply to British communication [7790/E559970].

(6) Japanese Note in reply to British communication [7790/E559971].

(7) French Note in reply to British communication [7790/E559972-74].

[A copy in the files of a British Note to the French Government dated June 7 (7468/H183281/1-2) bears the marginal note: "Text of the British Government's enquiry addressed to the French Government about the Anglo-German Naval Agreement (from a secret source). F[rohwein], July 23."]

(8) Italian Note in reply to British communication [7790/E559975].

(9) Record of the session at the Admiralty at 4 p.m. on June 18 [7790/E559877-85]. [At this session there was a discussion on qualitative limitations (item 6 of the Agenda; see document No. 132, enclosure).]

(vi) June 19, 1935.

(1) Record of the Anglo-German naval conversations in the Admiralty on June 19 at 10:30 a.m. [7790/E559920-32]. [At this session there was a discussion on building programmes; the German Delegation handed over three papers (M109/M004044-46) giving details of German construction planned up to the end of 1936. For a tabulation of the details, see document No. 165, Appendix 1, under the years 1934-36.]

(vii) June 20, 1935.

(1) Record of the Anglo-German naval conversations on June 20 at 10:30 a.m. [7790/E559933-45] with annex "Sheet C" [7790/E559828-29; see I (10) above]. [The conversations covered items 7 and 8 of the Agenda (see document No. 132, enclosure).]

(2) Minute of a conversation between Captain Wassner and Captain Danckwerts at luncheon on June 20 [document No. 161].

(viii) June 21, 1935.

(1) Record of the conversation held by Ambassador von Ribbentrop and Rear Admiral Schuster with Mr. Craigie and Vice Admiral Little at the Admiralty at 10:30 a.m. and of the visit of the two former to the British Foreign Secretary at the Foreign Office at 5 p.m. [These two informal conversations (7790/E559960-68) were concerned with British anxiety over the proposed tempo of German building.]

(ix) June 22, 1935.

(1) Final version of the "Summary of Discussions between the British and German Naval Representatives" [document No. 165].

(2) German translation of (1) [see document No. 181, footnote 2].

(3) Minute on the use to be made by Britain, in further conversations with other Powers, of data and views put forward by the German side during the discussions [7790/E560007].

(4) Calculation of tonnages available to Germany based on British tonnages for the period after January 1, 1937, for the eventuality that no regulation by treaty of British tonnages takes place [7790/E560008-12]."]

No. 131

7790/E559768-79

*Unsigned Memorandum*¹

[LONDON, June 4, 1935.]

SK 161 geh.

RECORD OF THE MEETING AT 10 A.M. ON JUNE 4

Present:

Germany: Ambassador von Ribbentrop,²
 Rear Admiral Schuster,
 Captain Wassner,
 Lieutenant Commander Kiderlen,
 Counsellor Schmidt,
 Secretary of Legation [Erich] Kordt.

Britain: Sir John Simon,
 Admiral Little,
 Captain Danckwerts,
 Captain Scott,
 Commander Clarke.

¹ See Editors' Note, p. 256

² Ribbentrop, who had been appointed Ambassador Extraordinary and Plenipotentiary on Special Mission on June 1, 1935, had arrived in London for the naval conversations on June 2.

Sir John Simon opened the meeting and welcomed the German Delegation. He hoped that the forthcoming negotiations, which were to be conducted in a friendly spirit, would be brought to a successful conclusion. The British Government and the British public had noted with satisfaction that, in his speech on May 21,³ the Reich Chancellor had stated, with reference to British defensive naval requirements, that he had no wish to enter into competition with Britain in the naval field, any more than Britain intended to compete with Germany in the field of land forces.

The experience which Great Britain had gained in her negotiations with other Powers had led the British Government to propose a new method for the forthcoming informal discussions. It had emerged from the previous negotiations that no progress was to be achieved as long as one confined oneself to laying down quantitative limits. The fixing of "ratios" had proved to be an extraordinarily difficult business, and he had consequently made certain proposals during his stay in Berlin⁴ which he hoped would be studied on the German side in a friendly and sympathetic spirit. Experience had shown that the best method of procedure was that there should first be a comprehensive exchange of views between the experts, while the Ministers responsible watched the progress of the negotiations carefully and were available at any time if difficult questions cropped up which necessitated their intervention. He himself would, therefore, presently withdraw for the time being.

Herr von Ribbentrop then made the following statement:⁵

"I thank His Britannic Majesty's Government in the name of the Government of the German Reich for the invitation to these naval conversations, and I also thank the British Foreign Secretary, Sir John Simon, in the name of the German Government, etc., etc.

"If I may make a personal observation, I would say, as one who is no stranger to your country—where I have maintained ties of friendship for twenty-five years—that I have been glad to undertake this first official mission to Britain since the National Socialists assumed power in Germany. I think that I am speaking for my naval colleagues, too, when I say that, after being separated for so many years, they are happy to be able to enter into this friendly and very important exchange of views with leading personages in the British Navy.

"The German Reich Government have welcomed the invitation of His Britannic Majesty's Government to a meeting between German and British representatives on naval questions in order to prepare for a future general settlement of naval strengths. They believe that such contact can help considerably towards the common goal of preventing

³ See Editors' Note, p. 171.

⁴ In March 1935; see vol. III of this Series, documents Nos. 555 and 564.

⁵ The text which follows was filed as an annex to the present document but has been inserted here for the convenience of the reader.

an international naval arms race, and are aware how important a contribution to the attainment of this goal would be constituted by an amicable agreement in the sphere of naval armaments between our two countries. We think that we are at one with the British Government in our genuine efforts to bring about such an agreement, and hope that we shall be successful.

"In order to create the conditions for a successful outcome to these negotiations, the German Delegation deem it necessary, before embarking on the actual negotiations, to make the following statement:

"1. In his Reichstag speech on May 21 the German Reich Chancellor stated: 'The German Government consequent on the failure of the other States to fulfil their disarmament obligations, have on their part renounced those Articles which, because of the one-sided burden these laid on Germany contrary to the provisions of the Treaty, have constituted a discrimination against Germany for an unlimited period of time.' By means of this pronouncement by the Chancellor, taken in conjunction with the promulgation of the Defence Law in Germany, Germany has re-established her absolute equality of rights as regards armaments.

"2. The necessity to safeguard the German Reich and its access to the sea on the one hand, and the recognition of Great Britain's historic claim to supremacy at sea on the other, have led the Chancellor of the German Reich to fix the requirements of German naval tonnage at 35 per cent of the total tonnage of Great Britain. The Chancellor has been able to accept this voluntary limitation of its maritime defences by a sovereign State only because he has ruled out once and for all the possibility of Great Britain as an enemy from Germany's defensive calculations.

"The Government of the German Reich are entitled to express the hope that this generous decision of the Chancellor's will be fully appreciated as a great and historic German contribution towards the future shaping of relations between our two countries and to the tranquillization of Europe as a whole.

"3. In these circumstances it is perhaps hardly necessary for the German Delegation to point out that it can only expect these negotiations to be successful and that it can itself only take part in these conversations, which it regards as so important, if this ratio of Great Britain 100 to Germany 35 is accepted as an inviolable and firmly established relationship. In order, however, to avoid any possible misunderstanding on this point, the German Delegation would be very grateful to the British Delegation for confirmation that there is agreement on this basic principle.

"In my opinion it is impossible to overestimate the value of the advantage to be gained by both our countries from such an enduring solution of the naval question.

"It will rule out once and for all a senseless naval rivalry between the two countries, uncalled for by any political necessity, which would only mean further enormous financial burdens and which would of necessity lead to a further estrangement between our two peoples.

"The maritime supremacy which is vital to Great Britain, and which Germany freely recognizes, will thereby be ensured, likewise Germany's defence at sea.

"The German Reich Chancellor has further stated that Germany would regard this ratio, once it had been fixed, as final and enduring, and that the possession of colonies would make no difference to this either.

"It was, however, not these considerations alone which induced the Reich Chancellor to perform this generous act of self-restraint. With his deep insight into the future and in anticipation of the irresistible historical developments to come, the German Reich Chancellor has come to certain conclusions, which have influenced his political thinking for many years and which have now become the corner-stone of his political philosophy, namely:

"1. That a repetition of the only conflict in history between the two great nations of common race must in all circumstances be avoided.

"2. That a coordination of their vital interests and a certain common and realistic basic attitude on the part of the two Powers towards the major problems of Europe are, in the long run, the only things which can bring about a solution of these problems and, above all, a German-French settlement, which the German people desire and without which there can be no peace in Europe. Only in this way will it become possible at last to establish on firm foundations that solidarity of European nations which is so essential, and on which the work of construction can be begun. Once such a foundation, I might say such a point of fusion, of common European interests has been found, the peoples of Europe will have little difficulty in making their choice between chaos on the one side and reconstruction on the other. Then we shall have finally achieved that real cooperation which alone can ensure the existence of Europe and guarantee the existing order of things as the foundation of our civilization.

"The German people and their Führer will be very glad if His Britannic Majesty's Government will give these considerations of ours their attention—considerations with which Germany, in view of her particular situation, has had to occupy herself more than other countries—and will not lose sight of these important, indeed, I might say, decisive points of view.

"I believe that if we approach the problems of Europe in this spirit we shall find many points of mutual interest in the field of naval armaments, too, and I should be happy if, on my return, I could

report to the German Reich Chancellor that good progress had been made along the road towards the consolidation of Europe and the world."

Sir John Simon observed before leaving the meeting that there were two aspects which could not be ignored. In the first place, the object was to prepare the ground in these discussions for a future naval conference and an all-round naval agreement in which the great naval Powers would have to participate. Further, not only would the relative strengths of the two fleets have to be determined, but one must also be able to see how this ratio worked out in terms of absolute tonnage and, in particular, how the absolute minimum needs of the British Empire defined themselves. The problem was, therefore, first to pave the way for a multilateral agreement and, secondly, to determine what the relative strengths meant in terms of absolute tonnage. For the rest, it seemed to him that the German Delegation's demand was something which properly belonged not to the beginning but to the end of the negotiations.

Herr von Ribbentrop stated with reference to his opening statement that only if a clear basis was created in advance, which made frank and friendly discussions possible, could the German Delegation hope for any success from the naval discussions and only then could they take part in them. The ratio Great Britain 100 to Germany 35 represented not simply a demand to be put forward by the German side but a *final decision by the German Chancellor*, which he had only reached after long and careful consideration and having taken into account British and German needs, and which stood absolutely firm. The point about relative strengths would have to be clarified before negotiations could be begun and he therefore asked once more for a clear answer to the German question.

Sir John Simon then said that he unfortunately had to leave the meeting since he had a further engagement with the Prime Minister at 11 o'clock. He repeated as he went that the German question could presumably only be put at the end of negotiations. He then disappeared.

Herr von Ribbentrop stated that it must be possible, and had presumably proved possible in relation to other countries, to arrive at a clear basis in principle for the discussions by agreeing on a numerical ratio. Once agreement had been reached on the fundamental ratio of 100:35 it would be much easier to reach agreement, in an amicable and loyal manner, on many other points where the two countries had common interests.

Mr. Craigie, who had taken the chair, answered that the question raised by the German Delegation was new to the British Delegation, who had not expected it to be raised. He was also bound to say, from his very long experience of naval negotiations, that he knew

of no previous case in which a foreign delegation had at the very beginning of the discussions put forward such rigidly defined conditions. On the British side they had thought rather in terms of a free exchange of views on either side, not tied to any conditions, and it would certainly be very desirable if each Delegation gave the other the opportunity of learning the views of its Government about the problems for discussion. If, at this moment, the German Delegation laid down the aforementioned condition, this was equivalent to putting the clock back; he therefore begged the German Delegation not to press the British representatives on the question of the 35 per cent, since they were convinced on the British side that no international agreement could be reached if any "ratio system"⁶ were to be agreed in advance, either bilaterally or multilaterally. It was not so much a question here of any fundamental difference of opinion, but rather of differing views about the methods to be followed—although it could hardly be denied that the question of methods went right to the root of the problems under discussion. In any case, one ought not to prejudice the chances of success of the multilateral negotiations by insisting now upon the German side on an answer to the question of the 35 per cent before negotiations had gone somewhat further. If at a later stage in the negotiations, after the German Delegation had taken note of the British suggestions, they still felt the need to adhere to their condition of 35 per cent, then, still before entering into more formal negotiations presided over by a Minister, they could again put forward this condition for discussion and a decision. At the present moment it would undoubtedly be wrong to agree on anything definite about a ratio system.

Herr von Ribbentrop drew attention to the great restraint which the Reich Chancellor had imposed upon himself in making his historic offer. It was clear, however—and Sir John Simon would certainly have the same impression—that the German Reich Chancellor was not the sort of man to say one thing one day and do another thing the next; on the contrary, he thought a long way ahead and had accordingly made a proposal designed to achieve an all-embracing long-term agreement between the two countries. Herr von Ribbentrop expressed his disappointment that the British Government had not of their own accord accepted the Reich Chancellor's great historic decision as the *self-evident basis* for the present negotiations. The German Delegation had not come to London to enforce a demand for 35 per cent; it had come on the basis of the Reich Chancellor's unalterable decision with the earnest desire to reach a long-term settlement on a grand scale which would bring the two countries together and take account of the vital interests of both sides. He and the other members of the German Delegation were proud to have

⁶ In the original the English is set in brackets alongside the German.

been entrusted with this historic mission and they hoped that the British would appreciate the full extent of this magnanimous concession. Germany had restored her military sovereignty and had now come as an entirely free nation to take part in negotiations. Germany had made an offer which was exceedingly favourable for Britain and must regard an answer by the British Government to this offer as a *conditio sine qua non* for conducting a frank and friendly exchange of views.

If it were said on the British side that, up to the present, no foreign delegation had ever laid down conditions at the beginning of a naval conference, then on the German side it must be recognized that the British Delegation might perhaps have some difficulty in seeing these things from Germany's point of view. Such difficulties had often appeared on other occasions in German-British relations. People, however, would have to become accustomed to the fact that Germany, as a free and sovereign Great Power, had the right to demand what was fitting for a Great Power. In any case, in the naval sphere Germany's decision was unshakable and could be regarded as a good starting point for reaching a long-term arrangement between the two countries.

It had been said on the British side that Germany wanted to put back the clock, but it should not be forgotten that, as a consequence of the restrictions imposed by the Versailles Treaty, Germany was in a position completely different from that of other countries who had been able to build up their level of defences freely and undisturbed while Germany had been prevented from doing so. Before there could be any agreement, Germany would have to create the basis for participating in future international negotiations on the same conditions as other countries.

If the British Government accepted the Reich Chancellor's proposal, not only would it facilitate the limitation of armaments and thereby avoid fresh burdens, but it would also be possible on the basis of the magnanimous German offer to solve all other naval questions much more easily. He therefore hoped that the German offer would be accepted by the British Government in the spirit in which it had been made by the German Reich Chancellor, that is to say, in the desire to exclude once and for all naval rivalry between the two countries and to facilitate the exchange of information on a basis of mutual confidence.

Although he understood the minor difficulties and inconveniences which might arise for the British Government from such an agreement about the 35 per cent, he had nevertheless to insist on clarification of this question. Since the British said that the German claim came as a surprise, he would propose that the British Delegation submit the question to their Government and ask for instructions on this matter.

In reply to Ambassador von Ribbentrop's announcement that he was going to submit in writing the statement which he had made at the beginning of the meeting, Mr. Craigie said that no mention should be made to the press about the communication of a document, as he himself did not regard the statement submitted as an official document at all but as an aid to drawing up the record of the negotiations.

On a proposal from Herr von Ribbentrop the two Delegations agreed that no information should be given to the press except such as had previously been agreed upon between them, but that they must be prepared for the press to ascribe statements to one or other of the Delegates, and in cases where something of this sort happened there should be no mutual suspicion between the Delegations. Two members of the Delegations were then appointed for liaison with the press.

Herr von Ribbentrop proposed that the negotiations should be bilateral and confidential and that other Powers should be informed by agreement, if need be, after their conclusion.

Mr. Craigie replied that it had hitherto been customary for Governments to keep one another currently informed about such conversations. This would also have to be done in future as occasion arose. He agreed, however, that such communications should be made only by mutual agreement.

Regarding communications to third Powers, it was therefore agreed that in this case too no communications should be made except as might be approved by the two Delegations and that (as had been the custom in previous naval conversations) the confidential nature of certain particularly confidential information given by one or other Government should be respected at the wish of that Government *vis-à-vis* third countries. As soon as possible after the conclusion of the discussions, other countries should be informed about the negotiations in a manner still to be agreed upon.

Herr von Ribbentrop pointed out that Germany was far from wishing to give the impression that she desired any kind of secret bargaining with Britain. On the contrary, in Germany they followed the modern procedure of discussing things openly and calling a spade a spade; they had, however, to be careful because of the press.

Admiral Little pointed out that the Reich Chancellor's pronouncement about his recognition of British naval superiority and the limitation of German naval strength had been received with satisfaction in Britain. The Admiralty, however, had not concerned themselves any further with the claim for the 35 per cent, and had neither accepted nor refused it. The Admiralty were inspired solely by the desire to restrict naval strength on either side to as low a level as possible. Their experience was that it was difficult, if not quite impossible, to reach a general agreement on the basis of a ratio. Only in the Washington Agreement had they succeeded in having ratios recog-

nized, but Japan and France had now stated that they could no longer be content with the strengths allotted to them. The British Government had therefore looked for a way out, and in the coming talks they would explain to the German Delegation the "middle way" which they had found out of these difficulties. The German Delegation could, in any case, surely not insist on a decision as to their claim before each side had been able to develop its point of view. No doubt there was a whole range of points on which British and German interests ran completely parallel. On the British side, too, they wanted to avoid any kind of rivalry between the fleets and to keep armaments down to as low a level as possible.

Mr. Craigie repeated that the German Reich Chancellor's declaration had, as Sir John Simon had already said, been very warmly welcomed in Britain. If they had not concerned themselves any further with the German claim for 35 per cent, that had only been in order to avoid difficulties for the future. In any case, the British Government's hesitation in connection with this German claim should not be connected with the German claim to equality of rights. Britain recognized Germany as an equal and free partner in these negotiations, and if the German Delegation represented the claim for 35 per cent as a final and unalterable decision of the Reich Chancellor's, the formal consent of the British Government was really superfluous, since the German decision was in any case unalterable. Moreover, the fact that the British Delegation was continuing negotiations after all that the German Delegation had said about their claim was in itself a sufficient answer.

Moreover, no agreement could be reached by the two countries in these talks about their attitude towards third countries, since everything should be considered exclusively in the light of preparations for a multilateral agreement.

Furthermore, the ratio system of the Washington Treaty was responsible for all the present difficulties and for the grave danger of unrestricted competition in armaments. Germany was now claiming something which would be tantamount to increasing this danger. In these conversations they must not think in bilateral terms, but, in view of the coming multilateral negotiations, they must keep future conferences in mind; moreover, nothing said in the course of these conversations would be in any way binding.

Herr von Ribbentrop laid emphasis on the observations which he had already made about the unalterable nature of the German decision and about its great historic importance in the context of a comprehensive and long-term German-British settlement, and he emphasized once again the necessity for a clear statement of the British attitude in the matter of ratios *before entering into* detailed discussions. He also drew attention in this connection to the funda-

mental difference between Germany and the other Powers in that the other Powers already possessed navies, whereas Germany still had hers to build.

Admiral Schuster emphasized that it was not the intention of the German Delegation to insist today on a final answer to the question whether the ratio system should or should not be applied in *future* agreements. Germany was only concerned with the results. As to procedure, that could be discussed. Germany would not take part in any conference unless she were guaranteed what seemed to her to be the minimum naval strength. In the last resort all discussions led back to some kind of ratio between navies and for that reason all the German side wanted to learn from the British Government was whether or not they recognized in practice the ratio of 100:35, without in any way determining now the treaty procedure which would have to be agreed upon later.

Mr. Craigie promised that the question raised on the German side should be submitted to the British Government and proposed that, in the meantime, the British Delegation should give a survey from the historical point of view and also in relation to possibilities for the future.

Herr von Ribbentrop expressed himself in agreement with this proposal.

Admiral Little stated that he agreed completely with Admiral Schuster and that ultimately it was all a question of "give and take".⁷

Herr von Ribbentrop replied that on the British side it should in no circumstances be supposed that the German claim was a bargaining counter, and once more laid emphasis on the observations which he had previously made and from which it was plain that the German decision was final and unalterable. Herr von Ribbentrop then asked the British Delegation once more for a clear statement of their attitude to the German claim, since otherwise no useful negotiations could be conducted.

The meeting was then adjourned until 4 p.m.

The meeting ended at 1:45 p.m.

⁷ In English in the original.

No. 132

7790/E559780-88

*Unsigned Memorandum*¹

[LONDON, June 4, 1935.]

RECORD OF THE MEETING AT 4 P.M. ON JUNE 4

Herr von Ribbentrop proposed on a point of procedure that there should be only one meeting a day, from 11 a.m. to 1 p.m.

¹ See Editors' Note, p. 250.

The proposal was adopted.

Mr. Craigie asked whether the German claim for 35 per cent of British naval strength was to be understood to mean that Germany would not demand any increase of the 35 per cent, even if a third Power increased the strength of its own fleet, should Britain herself not regard such an increase of her own naval strength as necessary. Mr. Craigie and later Admiral Little gave, as a theoretical example, that of France increasing her tonnage above the present level of approximately 50 per cent of British naval strength, and asked whether in such a case Germany would propose an increase of her 35 per cent, supposing that Britain for her part saw no cause to reply to the increase of French naval strength with an increase of her own. Herr von Ribbentrop pointed out that on the German side they wished to be guided in principle by British naval strength. At the present time French naval strength comprised about 50 per cent of the British, i.e., 15 per cent more than Germany's. This did not mean, however, that Germany recognized French naval superiority in principle. Germany would find it absolutely incomprehensible if, in the light of the modest level of Germany's final naval strength, France felt justified in claiming an increase of her own proportionate strength. There would be nothing to justify such an attitude on the part of France. Measures undertaken by a third Government would not, however, lead to any increase in the claim for 35 per cent, although Germany must proceed from the assumption that Britain would maintain her naval strength in a definite proportion to that of other European naval Powers.

Mr. Craigie: Yes, that is so, generally speaking.²

Herr von Ribbentrop, continuing, pointed out that in the light of the Russo-French military alliance, which was much regretted by the Reich Chancellor, who stood for the tranquillization of Europe and wished to exclude Asiatic influences, this pledge by Germany not to be guided by the naval strength of third Powers represented an immense step forward in the interests of German-British understanding.

These remarks made a visible impression on the other Delegation.

Mr. Craigie recognized that this declaration would certainly be received with satisfaction by the British Government. In reply to a German request that at future conferences Britain should now also support Germany in preventing claims for increases by third countries, e.g. France, he said that it was, of course, difficult to look into the future but that there were certainly many points of common interest between the two countries. Mr. Craigie then asked once again whether the German Delegation really insisted on an immediate answer to the German claim for 35 per cent, and once more pointed out the difficulties which would result from this for Britain.

² In English in the original.

Herr von Ribbentrop replied that he had nothing to add to his observations at the morning meeting.

Mr. Craigie remarked that, if the German Delegation insisted on their demand for an immediate answer, the British Delegation might have to consult the other naval Powers about their attitude to the German claim, for there was a tacit agreement that nothing should be done which might in any way disturb the preparations for the multilateral conferences. He regretted this necessity all the more, in that he had hoped at the end of the present discussions to be able to represent the results to the other maritime Powers in as favourable a light as possible instead of having to approach them with such an unpleasant question at the beginning of the conversations.

Herr von Ribbentrop expressed his fear that such a procedure would only lead to complications and difficulties, and that in this way the great historic proposals of the Reich Chancellor would suffer the same fate as had other suggestions of his hitherto, and that, once again, a great opportunity, which would perhaps never occur again, would be missed through the intervention of third Powers. He could not see why two sovereign Powers should not be able to decide such a vital question freely among themselves. In the last resort, however, it came to the same thing whether the important questions were communicated to other Powers at the beginning or at the end of the conversations. Sir John Simon had said on his distinctly premature departure from the morning meeting that Germany's conditions belonged not to the beginning but to the end of the negotiations, but he could only reply that it came to entirely the same thing whether difficult points were raised at the beginning or at the end, so long as one were agreed on them in principle. Moreover, he could only repeat once again the observations which he had already made this morning.

Mr. Craigie mentioned once again the difficulties which would arise if a bilateral German-British agreement were concluded and pointed out that it had, for example, proved impossible in other naval negotiations to agree bilaterally with one or other Power, since in such a case the third Power concerned (he mentioned Italy and the USA) would at once have ceased to cooperate. In this connection one had always to keep in mind that no naval Agreement would come about if even one of the great naval Powers remained outside it. For the rest, Mr. Craigie promised a reply from the British Government to the German claim later on.

In reply to a reference made by the British Delegation to his remarks at the morning meeting, Admiral Schuster explained his point of view in detail as follows: The Reich Government and the German Delegation were far from asking the British Government for any guarantee about the results of future conferences. At such con-

ferences Germany would herself defend her determination to build up the German fleet to the level which the German Government deemed necessary and would refuse to go to any such conference if the basic ratio between Great Britain and Germany of 100:35 were not assured in advance. The British representatives had unanimously emphasized that at any future conference Great Britain would not be bound by ratios. The German Delegation, on the other hand, was of the opinion that if this were correct (i.e., that Great Britain was no longer bound by ratios) it must still be possible within the framework of the present negotiations to obtain from the British Government some kind of positive statement of their attitude towards the relative strengths of the British and German fleets. Germany must know whether Britain did or did not in practice accept the ratio of 100:35.

Admiral Little said in conclusion that a British reply could, of course, not be forthcoming immediately, and added that the Admiralty were by no means opposed to the ratio system as such, but had only found by experience that such a system was now no longer feasible.

Herr von Ribbentrop observed that the Washington Treaty, although built up on the principle of ratios, was the only one which had so far functioned.

At this point the meeting was adjourned until Wednesday morning³ at 11 a.m. at the Admiralty.

It was proposed that the agenda should consist of a British statement on the historical development of naval conferences and the present British views on the situation. It was agreed that, as regards the course of today's meeting, the press should be told merely that negotiations had as yet been confined to general observations by both Delegations.⁴

7790/E559759-60

[Enclosure]³

AGENDA FOR NAVAL DISCUSSIONS BETWEEN REPRESENTATIVES OF THE GERMAN GOVERNMENT AND OF HIS MAJESTY'S GOVERNMENT OF THE UNITED KINGDOM

1) Opening remarks by the Secretary of State for Foreign Affairs.—Response by Herr von Ribbentrop.

2) Questions of procedure.—Notes of proceedings.—Order of business.—Communications with the press.

3) Necessity of holding a Five-Power Conference under the terms of the Treaties of Washington and London.—Suggestions for holding a general Naval Conference immediately after preliminary Five

³ The agenda put forward by the British at the meeting on the morning of Wednesday, June 5, for further details of which see item I (5) of the Editors' Note on p. 250, is here printed as the enclosure to the present document. It is in English in the original.

⁴ Ribbentrop reported the course of the first day's proceedings in telegram No. 145 of June 5 (7468/H182983-89) addressed to the Führer and Chancellor, the Foreign Minister and the Chief of Naval Command.

Power meeting.—Importance of preventing a renewal of unrestricted naval competition.

4) Outline of the results so far reached in conversations with the United States of America, Japan, France and Italy and of the deductions to be drawn therefrom.—Explanation of the building programmes proposal now under consideration and of the general structure of the British proposals for the future limitation of naval armament.

5) Bearing of proposals in para. 4 on German proposal for a ratio of 35 per cent of the British fleet.

6) Qualitative limitation. Its importance and suitability for universal application.—Qualitative limits proposed by the British Government and the attitude of other Powers thereto.—What are German views?—Discuss under the following headings:

- a) Capital ships (the present position as regards building).
- b) Aircraft Carriers.
- c) Cruisers.
- d) Destroyers.
- e) Submarines

7) *Quantitative limitation.*

Suggestion that future negotiations should be on the basis of the British proposals for declarations of programme to take the place of the former system of ratios. What, on this basis, would be the German programme of construction up to 1942?

8) Reciprocal notification of all information relating to the laying down and characteristics of new ships.

9) Other minor provisions:

- a) Preparation of merchant ships in time of peace for conversion to warlike purposes. (Washington Treaty, Article XIV.)
- b) Prohibition of the use of vessels of war building for other powers. (Washington Treaty, Article XVII.)
- c) Prohibition of transfer of vessels of war from one Power to another. (Washington Treaty, Article XVIII.)
- d) Definitions of category limits and age limits and standard tonnage. (British Draft Disarmament Convention, Chapter 2, Annex I.)⁵

⁵ i.e., the so-called MacDonald Plan; for the text see League of Nations: *Conference for the Reduction and Limitation of Armaments, Conference Documents*, vol. II, pp. 476–493.

No. 133

6204/E468628

The Consul General in Danzig to the Foreign Ministry

Telegram

No. 16 of June 5

DANZIG, June 5, 1935—5:40 p.m.

Received June 5—6:45 p.m.¹

IV Po. 3761.

Minister Papée again approached the President of the Senate on Tuesday² about his [Papée's] previous proposal for negotiations on the currency unification. The President referred to the measures which he had announced that the Government would introduce at the beginning of next week and requested that the matter be left until then. The Polish Diplomatic Representative stated several times during the conversation that the Polish Government did not wish to see any further fall in the Gulden.

As I have been informed in confidence by the President of the Senate, the Polish Diplomatic Representative has expressed his agreement with the President of the Senate's intention of introducing foreign exchange control in Danzig.³

RADOWITZ

¹ Marginal note: "Submitted at 5 p.m. on June 6. L[ieres]."

² i.e., June 4; on this date the Danzig Government ordered the closing of banks and of the Stock Exchange for several days with a view to checking a "flight from the Gulden" (see *The Times* of June 5, 1935).

³ The Senate introduced foreign exchange control on June 11. For the text of the relevant ordinance see *Gesetzblatt für die Freie Stadt Danzig*, 1935, Ausgabe A, pp. 703-705 (filmed as 8828/E614479-81); see also the High Commissioner's Annual Report for 1935 in League of Nations: *Official Journal*, February 1936, pp. 202-224.

No. 134

5552/E394487-89

Memorandum by the Director of Department IV

BERLIN, June 5, 1935.

e.o. IV Po. 3753:

Discussion held in the office of State Secretary von Bülow between the State Secretary and

President Dr. Helferich.

President Schäfer of the Bank of Danzig

Reichsbankdirektor Hülse

Ministerialdirektor Meyer

Oberregierungsrat Burmeister of the Reich Finance Ministry.

President Helferich gave an account of the difficult situation in Danzig and emphasized that the most urgent matter was, not balancing

the budget, but taking measures to support the Bank of Danzig; for if the requisite precautions were not taken before the Bank opened its doors again on Tuesday,¹ it would probably lose its entire reserve of foreign exchange in two days, and fail. He then discussed all the possibilities for saving the Bank of Danzig from failure. It was unanimously agreed that it would not be possible to avoid introducing foreign exchange control.²

It was realized that the introduction of foreign exchange control would cause difficulties in respect of the functioning of the port [of Danzig] and would also lead to friction with Poland. State Secretary von Bülow suggested that as soon as foreign exchange control was introduced the Senate should inform the High Commissioner and the Polish Diplomatic Representative in Danzig. He recommended that the communication to the High Commissioner should contain a factual explanation of the position and of the reasons for the temporary introduction of foreign exchange control, and that the High Commissioner should be requested to make an application to the Finance Committee of the League of Nations for financial support for the Bank of Danzig from the B[ank for] I[nternational] S[ettlements] in the form of a more or less short-term credit. The communication to Poland should contain, firstly, a detailed description of the situation and of the compelling reasons for introducing foreign exchange control for a short period, and, secondly, a statement to the effect that Danzig was prepared to enter into negotiations immediately for the purpose of removing all difficulties likely to arise in Polish-Danzig commercial relations as a result of the foreign exchange control. Both communications should avoid any reference to the existing treaties.³ It was agreed that it was less a matter of achieving practical results than of a tactical manoeuvre to protect Danzig. The communication to the Polish Diplomatic Representative would be a gesture to demonstrate that Danzig was ready to cooperate for the purpose of overcoming the difficult situation, and if possible to prevent Poland from taking undesirable economic measures. The communication to the High Commissioner would serve to bring him in and to demonstrate, by means of the application to the Finance Committee of the League of Nations, that Danzig had immediately gone to the League of Nations over the difficulties in which she found herself, and would thereby minimize any subsequent Polish complaints to the League of Nations and demolish the argument that Danzig had failed to carry this matter to the League of Nations in good time.

¹ i.e., June 11; see also document No. 133 and footnotes 2 and 3 thereto.

² See document No. 133, footnote 3.

³ For the Polish-Danzig Convention of Nov. 9, 1920, see document No. 97, footnote 4; for the text of the Agreement for the purpose of executing and completing this Convention, signed at Warsaw on Oct. 24, 1921, see League of Nations: *Treaty Series*, vol. cxvi, pp. 5-311.

The communications to the Polish Diplomatic Representative and to the High Commissioner would probably require to be accompanied by verbal representations by the President of the Senate and the President of the Bank of Danzig. It appeared advisable to give the High Commissioner and Poland to understand that the policy of exchange control was only intended to last for a short period of about four to eight weeks, to refer to the example afforded by Belgium and to express the hope that the control would either be considerably modified or entirely withdrawn within a very short time.⁴

State Secretary von Bülow finally stated that the introduction of foreign exchange control and the carrying out of the measures outlined above appeared inevitable in the interests of the preservation of the Danzig currency and of the Bank of Danzig and that from the point of view of foreign policy he had no objections to make. President Schäfer's attention was then drawn to the need to take the greatest possible care to reduce to a minimum any interference with traffic in the port which might result from the introduction of foreign exchange control.

MEYER

⁴ Copies of communications of June 12 from Greiser to the High Commissioner and to the Polish Diplomatic Representative were forwarded by Radowitz to the Foreign Ministry under a covering letter of June 12 (5552/E394429-32).

No. 135

7790/E559799-801

*Unsigned Memorandum*¹

[LONDON, June 5, 1935.]

RECORD OF A PRIVATE DISCUSSION BETWEEN MR. CRAIGIE AND AMBASSADOR VON RIBBENTROP ON THE AFTERNOON OF JUNE 5

Assistant Under Secretary Craigie called on Herr von Ribbentrop at his hotel on the afternoon of June 5 after first making an appointment by telephone. He presented the draft of a memorandum² which the British Admiralty wanted to submit to the British Government, if possible on the evening of the same day, in order to secure the Government's agreement to the recognition of the precondition laid down by the German side for the continuation of the conversations.

This document, copies of which were handed both to Ambassador von Ribbentrop and to Rear Admiral Schuster (whom he called in) while it was being jointly studied, contains practically all the points which were put forward by the German Delegation at the previous

¹ See Editors' Note, p. 250.

² Not found.

meetings in support of their demand for the British Government's agreement to the ratio of 100:35.

It was only necessary to make one addition to that passage in the memorandum in which the British Government were informed that Germany was prepared to renounce any increase in her relative strength even in the event of a third Power (for example France) proceeding, after Germany's intention had become known, substantially to increase its present strength in proportion to British strength. At this point, in agreement with Mr. Craigie, an additional passage was inserted based on what Ambassador von Ribbentrop had already said in the previous conversations, namely: The German Government expect the British Government, in the event (which appears improbable) of an increase of French tonnage as the result of the German decision, also to do their utmost in cooperation with the German Government to dissuade the French Government from taking such an incomprehensible and unjustified step. As at the previous meeting, Mr. Craigie confirmed that this indeed was probably what the British Government would strive to do. He emphasized, however, that the British Government would naturally not be able to exert any "pressure"³ on the French Government. However, the addition finally made to the British Delegation's memorandum in the end entirely corresponded to the German point of view.

The discussion then turned to the question of total tonnage. Herr von Ribbentrop stated that, as a minor naval Power, Germany would in principle have to state her claim to global tonnage, but that we were prepared to come to an understanding with the British Government about the system of categories. In the course of this discussion Mr. Craigie did not pursue this point, so that the draft memorandum still contained nothing about categories when the private discussion with Mr. Craigie was concluded at about 6 p.m.

[Enclosure]

CORRECTION TO [THE RECORD OF] THE PRIVATE DISCUSSION ON THE
AFTERNOON OF JUNE 5

Herr von Ribbentrop stated that Germany was demanding a global tonnage. This was necessary because Germany, with her small fleet, must have the greatest possible freedom in the distribution of tonnage between the various categories. For the major naval Powers this was not of such great significance as for the minor ones. It was also important because of France. Germany was definitely fixing a limit in her ratio with Britain. Britain would, as Mr. Craigie again confirmed on this occasion, always be interested in preserving a certain minimum ratio between her fleet and the other European

³ In the original the English is set in brackets alongside the German.

fleets and in concert with Germany would oppose any arbitrary building programme on the part of France.

If, in spite of this, France should at any time embark on an unexpectedly large building programme, Germany must have the possibility at least to counterbalance this disadvantage to some extent by a corresponding freedom of transfer.

In principle Mr. Craigie adopted in his memorandum of recommendations to his Government the concept of Germany's claim to a global tonnage. Furthermore, I promised Mr. Craigie that we should, of course, come to an understanding with Britain about the question of categories.

The discussion with Mr. Craigie was concluded at about 6 p.m.

No. 136

7790/E559802

*Unsigned Minute*¹

[LONDON, June 5, 1935.]

RECORD OF A DISCUSSION AT THE ADMIRALTY ON JUNE 5, 1935, AT ABOUT 7 P.M.

Admiral Little asked Admiral Schuster by telephone for information about the German attitude towards the question of accepting the system of categories. As it did not seem appropriate to settle this question by telephone, and in view of the need for an early settlement, Admiral Schuster said he was prepared to come to the Admiralty.

In answer to the British question, it was said that Germany was prepared to support the British claim for tonnage by categories, and also to accept this claim for herself in so far as the other major European navies also accepted it for themselves.

To a question about Germany's attitude in relation to submarine tonnage, it was replied that Germany would have to make the same claim for herself as was allowed to the other Powers, i.e., in the case of a settlement on a parity basis, Germany would have to claim parity for herself. As to how far this parity would be utilized in practice, Germany would have to reserve her position. When the British pressed further, it was replied that a final answer could not be given without the consent of Ambassador von Ribbentrop, and the British were given prospects of receiving an answer on the occasion of the party at the German Embassy on the same evening.

¹ See Editors' Note, p. 250.

No. 137

7790/E559803-05

*Unsigned Memorandum*¹

[LONDON, June 5, 1935.]

DISCUSSION AT THE GERMAN EMBASSY DURING THE EVENING OF
JUNE 5, 1935 (WITH BRITISH STATEMENT)²

1. It was stated that Germany agreed in principle to the application of the 35 per cent to the categories, and, in the event of a treaty, would be agreeable to such transfer as might be fixed at such a conference. On this point the British said that in no circumstances would an agreement based on ratios be made in future. Herr von R[ibbentrop] pointed out that a 10 per cent transfer would not be sufficient in view of France and declared that, here too, it should be made possible for this limitation not to be applied in too niggling a manner. The requirements of the various countries differed. We were claiming a transfer of 25 per cent and hoped to have Britain's support for this.

2. In case no international agreement were concluded, it was agreed with the British that we should again reach an amicable arrangement with them, whilst maintaining the principle of division by categories, and that we would inform them of such plans as might be necessitated by the measures taken by others (France) in so far as no excessive disproportion was involved.

Captain Danckwerts took this opportunity of pointing out that in all these negotiations Britain proceeded from the assumption that a ratio system would be impossible because the various countries would not declare themselves in agreement with it. The intention was to inform each other of building programmes.

3. The question of the level and method of transfer was reserved for later agreement, since the figures given by either side differed and it was premature to fix definite figures.

4. Ambassador von Ribbentrop pointed out that Germany was claiming complete equality of rights with other nations as regards submarines, that we would not enter into any competition with France but that Britain would agree to parity for Germany outside the 35 per cent should no treaty materialize. That would mean that, if there were no treaty, we should be free as regards submarines, but would limit ourselves to parity with Britain.

5. As a result, the attached record³ was drafted, which was intended for incorporation in the British statement.

¹ See Editors' Note, p. 250.

² Enclosure 1.

³ Enclosure 2.

[Enclosure 1]⁴

PART OF A BRITISH STATEMENT

June 5, 1935.

The German Government believe in the system of limitation by categories and they are prepared in principle to calculate the 35 per cent ratio on tonnage in the categories, any variation from this ratio in a particular category being dependent on the arrangements to this end that may be arrived at in a future general Treaty on Naval Limitation.

Should no international treaty be concluded or should the limitation by categories not be dealt with in a future treaty, the question of the calculation of the 35 per cent ratio would be a matter for discussion between the English and the German Government.

7790/E559807

[Enclosure 2]

DRAFT OF A STATEMENT BY THE BRITISH GOVERNMENT

His Britannic Majesty's Government have taken note of the German Government's decision, contained in the Reich Chancellor's speech and in the statement made in connection with it by the German Ambassador, von Ribbentrop, to build up their naval forces to a ratio of 100:35 as between the British and German strengths, irrespective of the manner in which the ratio might subsequently be determined in accordance with future international agreements. The British Government have also noted that this ratio will continue to hold good, even if other countries should feel themselves constrained to increase their naval forces above their present strength *vis-à-vis* British naval forces, or if in the future Germany should again acquire colonies, and finally that Germany will be prepared to conclude an agreement to maintain the above-mentioned ratio even in the event of there being no prospect, as far as can be foreseen, of a settlement being reached by treaty between the principal maritime Powers.

His Britannic Majesty's Government consider that the above-mentioned ratio, when taken in conjunction with the assurances given, can be regarded as equitable. The further negotiations between the two delegations will be conducted on the basis of this agreement.

¹ The original of this enclosure, apart from the heading, is in English; a German translation (7790/E559806) is headed: "Translation of the British Proposal".

No. 138

8656/E606032

Senior Counsellor Renthe-Fink to Counsellor of Embassy Erbach

Drafting Officer:

BERLIN, June 6, 1935.

Senior Counsellor Heinburg

II Oe. 1440.

DEAR PRINCE ERBACH: With reference to the report to the Führer and Chancellor of May 10¹ on Austria's rearmament.

A responsible foreign correspondent here states that he possesses information that a monarchy will be proclaimed in Vienna at the end of June. The Habsburg question is stated to have been settled. Mussolini is said to have withdrawn his objections. The Italian troop concentrations in Northern Italy are said to be intended to safeguard the proclamation of the monarchy against any steps which Germany might take.

I felt it incumbent on me to bring this report to the knowledge of the Legation although confirmation from other sources has not yet been received. We have, however, for our part no cause to deny these rumours, even should they prove false.²

Yours etc.,

R[ENTHE]-F[INK]

¹ See document No. 84 and footnote 1 thereto.

² This letter is based on a telegram to the Legation in Vienna drafted by Aschmann on May 31 (8656/E606032/2) giving the information incorporated herein and submitted to Renthe-Fink for approval. The latter passed it on to Heinburg, minuting as follows (8656/E606032/1): "I do not think it desirable that the information should be communicated by telegram."

No. 139

9572/E674716-18

Memorandum by an Official of Department VI

BERLIN, June 6, 1935.

zu VI W 2744.¹

The Hungarian Minister President's letter to the Führer and Chancellor of February last [*sic*]² has still not been answered. When the idea of sending an autograph letter from the Führer and Chancellor to the Hungarian Regent by Field Marshal von Mackensen was recently being considered, a brief draft statement³ on the minorities question,

¹ Not found. The files of Department VI containing the working copies of documents dealing with the German community in Hungary are not held.

² The letter was dated Feb. 14, 1934; see document No. 38, footnote 1.

³ This evidently refers to a document (9614/E678576-77), headed "Draft", which bears the following marginal note: "[Reply] to that part of Horthy's [*sic* ? Gömbös'] letter which refers to the Gömbös visit. v. N[eurath], May 11." No other mention of a letter from Horthy and no copy of Hitler's letter has been found. This draft is filed with a letter (9614/E678578) from Field Marshal von Mackensen's adjutant to the Reich Chancellery, which bears marginal notes indicating that Field Marshal von Mackensen saw Hitler on May 13. No other records of this interview or of Field Marshal von Mackensen's visit to Budapest, May 15-23, have been found.

in which reference was made to Gömbös' letter, was drawn up by the Foreign Ministry on the instructions of the Foreign Minister. As Minister von Mackensen has stated in a private letter,⁴ he was able to ascertain definitively that the Führer and Chancellor's letter did not, in fact, contain any passage relating to the minorities question.

Since the Hungarians, and most recently the Regent himself,⁵ had, in conversations with Minister von Mackensen, frequently referred to the minorities question pending between Germany and Hungary, de Pataky, the Hungarian State Secretary for Minorities Questions, himself called at the German Consulate at the end of May in connection with the Council meeting at Geneva and talked at length about cooperation between Germany and Hungary on the minorities question, referring on that occasion to the discussions which had been begun in 1931. According to Herr Krauel's report,⁶ M. de Pataky hoped that there might also be direct consultations between the experts on minorities questions in the Hungarian and German Foreign Ministries, so as to settle further particulars of the course jointly to be pursued.

As the question of a reply from the Führer and Chancellor to Gömbös is still open and as the Hungarians have of their own accord suggested a discussion (which Herr von Mackensen, for his part, considers urgently necessary), it would seem expedient to agree to M. de Pataky's proposal for a discussion between the experts on both sides.

The question arises as to whether we should invite M. de Pataky to Berlin or whether the German expert should first go to Budapest and start the consultations there. The consideration that, by having M. de Pataky here, we should already at the initial stage get the Hungarians to Berlin, where the actual conversations are to be held, speaks in favour of inviting him here. Also, the German minority in Hungary would be less likely to learn about the conversations in Berlin as they would if discussions were begun in Budapest. But a visit by de Pataky to Berlin would have the following disadvantage: He would very probably bring with him a fixed Hungarian programme on which we would have forthwith to state definite views, since the competent departments are more or less at hand. If the German reply did not in the main meet the Hungarian wishes, there would be a risk that it would then be difficult to resume negotiations. In view of the difficulty of entering into negotiations with the Hungarians, and in the interests of the German minority, we should have to try to keep the Hungarian Government up to the mark for as long as possible through conversations. Perhaps this would be more easily achieved

⁴ Of May 27; not printed (9722/E683588).

⁵ No record of such a conversation, which probably took place during Field Marshal von Mackensen's visit to Budapest, has been found; see also footnote 3 above.

⁶ Despatch No. 674 of May 25; not printed (9722/E683599-600).

if, in reply to de Pataky's suggestions, the German expert were first to pay a courtesy visit to Budapest. He would merely be authorized to hold provisional consultations, and to discuss the Hungarian wishes regarding a programme, for his own personal information, without having to define the German views. The preliminary conversations having been concluded, the Hungarian programme could then be studied in the course of the summer by the competent departments in the Reich, and later M. de Pataky and/or a Hungarian delegation could be invited to come to Berlin in order to hold further conversations.

As the matter of consultations with the Hungarians is one of urgency, and as the Hungarian authorities go on leave about the middle of July, the visit would, if possible, have to take place at the end of this month.

Respectfully submitted herewith to the State Secretary for his decision.

ROEDIGER

No. 140

7846/E569298-99

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 147

LONDON, June 6, 1935.

Received June 7—9:45 a.m.

II R 1412.

While Bismarck was seeing Wigram today on another matter, the conversation touched briefly on the Air Pact. Wigram thought that the discussions were still in the initial stage and that numerous preliminary questions must be settled before any Five Power conversations could start. The main thing at present was to make sure that the French declared themselves willing to deal with the Air Pact in advance of the complex of questions as a whole. That the British were prepared to do so, which was the case, was not of course sufficient. The French Government had not yet made any statement on this and progress was much impeded by internal political difficulties in France. He could, however, state that it had been ascertained that newspaper reports to the effect that Laval had assured the Russian Ambassador that France would never discuss the Air Pact separately were not correct. Once the French had declared themselves willing in principle, the second important point would be to settle the question of whether France would accept German air parity with herself, as had been demanded by Germany. France had taken no decision as yet on this point either. These were only two examples, but there were of course many more problems

to be solved. In any case, rhetorical parliamentary statements on the desirability and the possibility of rapidly concluding an Air Pact were far in advance of the facts. There was no point in rushing this problem and it must be dealt with in a "businesslike"¹ way.

Wigram ended by saying, just as Simon had said to me, that in the British view it was not for the British Government to forward the German draft² to other Governments.

HOESCH

¹ In English in the original.

² Document No. 106, enclosure.

No. 141

7790/E559808-13

*Unsigned Memorandum*¹

[LONDON, June 6, 1935.]

RECORD OF THE ANGLO-GERMAN DISCUSSION HELD IN THE BOARD
ROOM OF THE ADMIRALTY FROM 5 P.M. TO 6 P.M. ON JUNE 6, 1935

Present:

On the German side: Ambassador v. Ribbentrop,
Admiral Schuster,
Counsellor Schmidt,
Captain Wassner.

On the British side: Sir John Simon,
Sir Bolton Eyres-Monsell,
Admiral Little,
Commander [*sic*—Captain] Dan[c]kwerth[s].

Sir John Simon stated that he and Sir Bolton Eyres-Monsell had received a report on the discussions which had already taken place between the two delegations. They had also been informed that Mr. Craigie had desired a postponement of the meetings, so that a report could also be submitted to the British Government. This latter report had now been submitted, and the British Government had examined with the utmost care the statements made by the German Delegation. He was, he said, now in a position to communicate in the name of the British Government the results of these deliberations. As he had said, the British Government had studied very carefully the German Reich Chancellor's proposal that the relative strengths of the British and the German navies should be in the ratio of 100:35, and had taken particular note of the fact that this ratio should be regarded as final and permanent. The British Government fully recognized the historic significance of this proposal, whereby a sovereign State had, of its own free will and in advance, accepted a

¹ See Editors' Note, p. 250.

permanent inferiority of 65 per cent in comparison with the British Navy. He was glad to be able to inform the German Delegation that the British Government were prepared and intended to accept the declaration of the German Reich Chancellor as the basis for further naval discussions between the two countries. Before the British Government could, however, conclude a formal agreement on the subject, they would first have to inform the other maritime Powers, with whom they had already had discussions. The British Government would inform these Powers that they proposed to do what he had just told the German Delegation they proposed to do. The other Powers would be afforded the opportunity of putting forward their observations. The communication made to them would be to the effect that the British Government intended to treat the German Reich Chancellor's proposal in a positive manner.

The British Government had also noted that the German Government believed in limitation by categories, whereby the 35 per cent would be calculated on the tonnage for each category. The calculation of the 35 per cent for the various categories was an important matter, and, in order to avoid any misunderstanding and to ensure maximum clarity on the subject, the British Delegation had a few amendments to propose to the text of Section (d)² agreed upon yesterday at the German Embassy. These amendments did not constitute any change in yesterday's agreement, but were merely in the interests of clarity.

Sir John then handed over the British Delegation's draft³ with the amendments and added that he was very glad that it was he who was able to convey a reply⁴ from the British Delegation which would assuredly satisfy the German Delegation. It was, however, necessary to contemplate a short adjournment of the negotiations, as they

² See document No. 187, enclosure 1.

³ See enclosure.

⁴ There is in the file an English text (7790/E559831) headed "Copy. Draft Answer to Herr von Ribbentrop" which reads: "We have considered very carefully Herr Hitler's proposal for a relationship between the British and German Fleets in the proportion of 100% to 35%—a relationship which he proposes should be final and permanent. We fully recognise the historic importance of this decision, in virtue of which a sovereign state voluntarily agrees in advance to accept a permanent naval inferiority of 65% as compared with the British Fleet, and I am glad to recognise the Reich Chancellor's decision as the basis of future naval discussions between the British and German Governments. But before making a formal agreement with Germany in this sense, we are obliged to inform the other Governments, with which we have had conversations, that we intend to do so and to give them an opportunity to offer any observations they may desire to make. We have also noted the declaration of the German representatives that the German Government believe in the system of limitation by categories and are prepared in principle to calculate the 35% ratio on the tonnage in the separate categories. As this question of the calculation of the tonnage by categories is one of importance and in order to prevent any possible misunderstanding, we have suggested purely for the sake of clarification, certain amendments [*sic*] in the paragraph on this subject which was drafted yesterday evening at the German Embassy by the German and British representatives.

"The revised draft has been handed to Herr von Ribbentrop and it will be seen that the amendments we propose are underlined."

would have to communicate with the other naval Powers about the acceptance of the German proposal.

Ambassador von Ribbentrop first thanked the British Foreign Secretary for the statement he had just made. He, too, he said, was glad that the Government of Great Britain had appreciated to the full the historic decision of the German Reich Chancellor and were prepared to accept the ratio of 100:35 between the two navies as a permanent solution between both countries.

From the personal point of view he, like Sir John, was glad to have cooperated in reaching this decision, which might well be of world historical significance, and he hoped that future generations of both peoples would enjoy the fruits thereof.

With reference to the British Government's communication to the other naval Powers that they intended to recognize the decision of the German Government to fix a ratio of 100:35 as between the two fleets, he was, he said, not clear whether the communication to the foreign Governments was to be interpreted as a tacit admission of the right of these Powers to raise objections, or whether, on the contrary, it was a matter of a final decision already taken by the British Government being communicated to the other Governments merely as a matter of international courtesy. Ambassador von Ribbentrop asked Sir John Simon for information on this point, because, as he had said the day before, he feared that difficulties and delays might well ensue if other Powers were still to have a say in the matter. If, however, the British Government's decision was, as he (Ambassador von Ribbentrop) assumed, final, and one communicated to other Governments merely as a matter of courtesy, then the question of a short adjournment of the negotiations arose. He was of the opinion that it would be a mistake to wait too long before resuming the discussions, and he suggested for consideration that the final and formal text of the agreement which had just been reached should be completed and signed shortly after Whitsuntide, so that the practical work, which, he hoped, would lead to a *rapprochement* between the two countries, could subsequently begin. With regard to the text which Sir John Simon had just handed him, it was desirable that after it had been translated it should once again be studied by the technical experts, and for this reason he thought it would be a good thing if conversations between the technical experts on both sides on the text now submitted should take place at the conclusion of the present meeting.

In conclusion, Ambassador von Ribbentrop repeated the hope that this agreement, which had come about thanks to the great insight of the German Reich Chancellor and which had been born of his earnest and heartfelt desire to see relations between Great Britain and Germany turned into a firm friendship, would be of great benefit to both

peoples in the future. He was happy to have taken part in achieving this historic agreement.

Sir John Simon also expressed his satisfaction that agreement had been reached and that the way was now open for the task ahead. With reference to Ambassador von Ribbentrop's question, Sir John stated that the British Government's decision was final and they merely wished to inform the other Powers that the British Government "had decided" to accept the German Reich Chancellor's proposal. There was, however, rather more to it than merely a matter of international courtesy; at previous naval discussions there had been tacit agreement that none of the Powers taking part in these discussions would take any step without informing the others. Furthermore, Great Britain, as the greatest naval Power, was in a special position and for that reason, too, she must inform the other Powers of her decision.

With reference to a resumption of the negotiations after Whitsuntide, the British for their part were in favour of as short a Whitsun break as possible. There would nevertheless have to be a few days' break, particularly in view of the situation in France, where the conditions of Government were unfortunately not as stable as in Germany and Britain.

In conclusion, Sir John Simon stated that he had the distinct impression that both sides of the table could congratulate themselves on having made a valuable contribution to a reasonable limitation of armaments, to the furthering of peace and to the establishment of good and friendly relations between the two countries.

With regard to the press, it was agreed that for the moment no communication should be made to the press, and that the two Governments should consult each other as soon as either of them felt the need to publish anything about the agreement now reached, because one would, naturally, have to reckon with something leaking out at some time or other, even if not in Britain or in Germany, then in one of the other countries which would be informed by the British Government. In that case, it would be better to say openly and frankly what agreement had been reached. This, however, should be done only after joint discussion and agreement by both Governments.⁵

There then followed a discussion on the text of the British proposal.

7790/E559824

[Enclosure]

(d) The German Government believe in the system of limitation by categories, and they are prepared in principle to calculate the 35 per

⁵ In a letter to Admiral Raeder dated June 6 (7790/E559757-58) reporting the outcome of the meeting, Admiral Schuster stated that Ribbentrop had requested that, apart from Raeder, the Führer and Blomberg, no one should be informed of the agreement for the time being.

cent ratio on the tonnage in the separate categories, any variation of this ratio in a particular category being dependent upon the arrangements to this end that may be arrived at in a future general Treaty on Naval Limitation. Such arrangements would, it is understood, include the provision that any increase in one category would be compensated for by a corresponding reduction in others.

Should no international Treaty be concluded, or should the question of limitation by categories not be dealt with in a future International Treaty, the manner and degree in which the German Government will have the right to vary the 35 per cent ratio in one or more categories would be a matter for discussion between the German and British Governments, in the light of the naval situation then existing. It is also understood that the present requirements will be settled in the discussion now in hand.

No. 142

5752/H038717-18

Memorandum by the Director of Department IV

BERLIN, June 7, 1935.

IV Po. 3828.

The Polish Ambassador visited me today and began by expressing once again the thanks of the Polish Government for the sympathy shown by the Führer, the Government of the Reich and the German people on the occasion of the passing of Marshal Pilsudski.¹ He then emphasized at some length that the course set by Marshal Pilsudski would be rigidly adhered to in all spheres: internal policy, foreign policy and army policy. All responsible posts were occupied by young men whom Marshal Pilsudski had appointed during the past few years and whom he had trained in accordance with his own ideas.

M. Lipski then informed me, with reference to his latest talks with the Reich Foreign Minister and the Minister President,² that the Foreign Minister, Colonel Beck, was willing in principle to visit Berlin and to wait upon the Führer and Chancellor. He was as yet unable to say anything about the date or circumstances of such a visit, since Colonel Beck was still occupied with a series of important questions. The date chosen must also suit the convenience of the German Government. He said that he would return to this question, and once again stressed that Colonel Beck was prepared to pay this visit.

M. Lipski then turned to the Locarno Memorandum³ and requested a copy of it, which I gave him.

¹ See document No. 98.

² See document No. 90 and document No. 97, footnote 1.

³ Document No. 107, enclosure.

He also asked about the Memorandum on the Eastern Pact which M. Laval had given to Herr Köster,⁴ and said that as far as he knew the Polish Ambassador in Paris had not yet been handed a written communication. I informed him of the substance of the Note and said that Herr von Moltke had already been instructed to inform M. Beck about it.⁵ We would, of course, consult with Warsaw before giving our reply. We were first waiting for the French reply to the Locarno Memorandum, which was after all very important, and we would then go into the whole question carefully.

M. Lipski also asked whether there was any truth in the rumours propagated by the foreign press about special agreements between Italy and Germany. I denied this and emphasized that the press campaign had fortunately stopped⁶ and that a more favourable atmosphere had thus been created.

MEYER

⁴ See document No. 127.

⁵ See document No. 129, footnote 9.

⁶ See document No. 124.

No. 143

5552/E394470

Memorandum by the Director of Department IV

BERLIN, June 8, 1935.
IV Po. 3903.

President Schäfer of the Bank of Danzig reports:

On June 6 Minister Papée called at his own request and made the following statement to Senator Wyszinski-Kayser, who was deputizing for the President:¹

He had been authorized by his Government to make the following statement, because he presumed that this information might still be of use on June 6.

1) As the Polish Government wished to help the Danzig Government over the currency question, they had instructed the Polish banks in Danzig Free State territory to continue to accept the Gulden as before.

2) He wished to state on behalf of his Government that his Government were prepared to give favourable consideration to any suggestions for linking the Gulden with the Zloty.

MEYER

¹ In a memorandum of June 6 (5552/E394480) Meyer had recorded information from Schäfer that President of the Senate Greiser and Gauleiter Forster had arrived in Berlin that morning and had arranged through General Blomberg to be received by Hitler; they would fly [to Munich] for this purpose. See also document No. 150 and footnote 4 thereto.

No. 144

8626/E604611-15

The Ambassador in Turkey to the Foreign Ministry

ISTANBUL, June 8, 1935.

Received June 13.

III O. 2506.

POLITICAL REPORT

Subject: Parting impressions.

The kind words about Germany, uttered by leading Turkish statesmen during my farewell visits,¹ need not be repeated here in detail, since oriental courtesy would hardly lead one to expect anything else in the hour of parting. But the general impression which I gained from these last conversations has so fully confirmed the observations which I have made throughout my tour of duty that it is worth a brief recapitulation here. State President Kemal Atatürk and the Head of the Government, General Ismet İnönü, not only respect and admire, but are also genuinely sympathetic towards, the new Germany and her Führer. The lively interest with which Atatürk follows the actions and statements of the Führer and Chancellor is just as characteristic of this attitude as the fact that Ismet İnönü conscientiously keeps up with all the news from Germany and endeavours to form a day-to-day picture of events there, for which he also draws on German sources. What is true of the two spiritual heads of young Turkey can also be said without reservation of the majority of the Cabinet and of the other public personalities, who for obvious reasons consider it important not to deviate from the opinions of their leaders on fundamental issues.

Foreign Minister Tewfik Rüstü Aras is no exception either, even if considerations of sentiment, such as sympathy or antipathy, play no part in this man's cold and realistic calculations. He also entertains respect for Germany and has correctly evaluated her decisive importance for Europe. From all that I have seen of this man, it would be a mistake to consider him as hostile to Germany.² Tewfik Rüstü Aras also realizes that for economic reasons Turkey is obliged to keep on friendly terms with Germany and that politically there are no differences between the two countries. As the best customer for Turkish

¹ Frederic von Rosenberg, German Ambassador in Turkey since Dec. 11, 1933, had been recalled, on being placed on the retired list, on May 24, 1935; he left Turkey on June 9.

² In a memorandum of May 7 (8626/E604606-07) transmitted to Ankara on May 9 (8626/E604608), Neurath recorded that he had on an earlier occasion told the Turkish Ambassador in Berlin of an alleged statement by Rüstü Aras that he would never pursue a pro-German policy. During his visit on May 7 the Turkish Ambassador denied the authenticity of this statement; Neurath then added that Germany had not been pleased by Tewfik Rüstü Aras' attitude when, during his presidency, the Council of the League had sat in judgement on Germany (see Editors' Note, p. 65).

products, an economically prosperous Germany can only be what he would wish and, as a counterpoise to Italy, who is always viewed with suspicion here, a militarily strong and politically free Germany cannot but meet with his approval. The intimate dependence on Russia, which the new and still evolving Turkish State even today considers indispensable as a reinsurance against Western European vagaries, as support for Turkish wishes in the question of the Dardanelles³ and as a safeguard for the sensitive Caucasian front, admittedly causes any clouding of relations between Moscow and Berlin to affect German-Turkish relations to a certain extent. But up to the present Turkey's basically friendly attitude towards Germany has shown itself equal to this strain placed on it. It is true that Tewfik Rüstü Aras himself ardently desires a German reconciliation with Moscow. But it is precisely this which seems to me to indicate how greatly he desires not to let the cultivation of friendly relations with us be disturbed by thoughts of the possible annoyance to his Russian friend.⁴

When I paid my farewell visit to the Foreign Minister yesterday I found him extremely preoccupied with the situation in Austria, where he had spent a few days on his way back from Geneva. He thought that if the Austrian people were asked to vote today perhaps only 55-60 per cent would declare themselves *in favour of the National Socialist régime* but that 90 per cent would vote *against the Schuschnigg régime*. It was simply that the people of Austria were Germans and endured only with the greatest reluctance the protectorate exercised by Italy and the clericals, who wished to suppress their German character. If the present régime persisted in this policy of suppression, it could easily lead to an explosion or to a series of catastrophic incidents which might bring about *de facto* union with the Reich. A precipitate development of this kind would be regrettable from the point of view of European peace and, as he imagined, would not correspond to German wishes either. The Reich could afford to wait for the adjustment of its relationship to Austria, which would come about of its own accord without major upheavals, and he had, in fact, gained the impression during his stay in Vienna that the National Socialist organization in Germany was at present observing great restraint in respect of Austria. The other alternative, namely that the Italianization and clericalization of Austria might succeed, also contained dangers for Germany, because an "Austrian Church State" of this sort under Italian patronage might in time come to exercise a certain power of attraction on the Catholic South of Germany—a view which I contested.

³ See document No. 43 and footnotes 4 and 5 thereto.

⁴ In despatch A 838 of Apr. 30 (8694/E607839-42), Rosenberg reported a conversation with Tewfik Rüstü Aras, who explained his attitude at Geneva and advocated improved German-Russian relations.

On this occasion, too, the Foreign Minister's dislike and suspicion of Italy were clear from his statements. Tewfik Rüstü Aras does not believe in the possibility of a peaceful solution of the Abyssinian question. In the Foreign Minister's view it would be no easy thing for Geneva to find, by the early autumn, a formula designed to prevent the League of Nations from losing even more of its authority while at the same time saving Italy's face. Tewfik Aras several times mentioned Italy's threat of withdrawing from the League of Nations. Although he claimed that he did not take this threat seriously, since Italy would primarily be harming herself if she were to withdraw from the League of Nations, the Minister appeared to me none the less to be slightly perturbed. He thought that possibly Italy might be satisfied in the long run with a few thousand square kilometres of desert sand, but it was questionable whether such a sham victory would be worth the expense and the dangers of the expedition. The other possibility was that Italy might try out in Abyssinia the methods Japan had used in Manchuria. But that would cost even more bloodshed and money and would still not achieve the desired result, for Abyssinia was not Manchuria. The Foreign Minister suspects that Signor Mussolini will soon start seeking a pretext for reducing the large-scale and expensive mobilization to the bare minimum necessary for the Abyssinian expedition. He said he assumed that the Duce would like most of all to make use of an understanding with Germany for this purpose. It was not likely that the Danubian Conference⁵ would meet in the near future. Turkey had not changed her attitude towards the proposed Conference. The whole complex of questions concerning the Danubian region was a European problem and the Turks claimed the right to be allowed to be present at any discussion of these questions. If they were not allowed to be present, then the other Balkan Pact States⁶ would refuse active cooperation. The talks on the Mediterranean pact⁷ had come to a complete standstill. If Mussolini persisted in refusing to allow Rumania to participate, then Turkey would not take part either.

All that could be said about the Balkan Conference in Bucharest which had preceded the Geneva meeting had been contained in the communiqué issued at the time.⁸ Nothing had been decided or laid

⁵ See document No. 33, footnote 8.

⁶ i.e., Greece, Rumania and Yugoslavia, who, together with Turkey, were the signatories of the Balkan Pact and Protocol-Annex of Feb. 9, 1934 (for the text see League of Nations: *Treaty Series*, vol. CLIII, pp. 153-159).

⁷ The reference appears to be to a plan for an Eastern Mediterranean Pact sponsored by Italy, to be signed by Italy, Greece and Turkey. The despatch cited in footnote 4 above reported Tewfik had stated that Italy was now prepared to include Yugoslavia in the proposed pact, but was opposed to Rumania's participating, whereas Turkey felt herself unable to take part unless all the other Balkan Pact countries were included. Other documents on this subject have been filmed on Serials 7844 and 9666.

⁸ The reference is evidently to the meeting of the Permanent Council of the Balkan Entente which took place in Bucharest on May 10-13, 1935; an official communiqué was issued on May 13.

down which exceeded the contents of this communiqué. As was to be expected, however, the exchange of opinions had dealt with all the questions of common interest to the Balkan States. Complete harmony had been achieved, especially on the point that, in the question of the Straits, Turkish wishes must be given consideration. British public opinion, too, had recently been more favourably disposed towards these wishes.

In contrast with political and diplomatic circles in Ankara, the Foreign Minister was rather sanguine as to the situation in France. He considered that the parliamentary bickerings, which are at present taking the form of a whole series of ministerial crises, should be looked upon as a relatively harmless pastime of internal significance only, provided the constitution itself remained untouched and no steps were taken which departed from the old and well-worn paths of parliamentary tradition. The matter would be more serious if there were a move to dissolve the Chamber. Then it would be impossible to tell whether a dictatorship might not be the ultimate outcome, and, as French history had taught, a dictatorship in Paris would be all too readily disposed to favour a diversion abroad.

The Foreign Minister concluded by saying that, taken all in all, he did not consider that the coming months would bring any dramatic crises. The European States would spend the summer watching each other more or less suspiciously and sounding each other out. General stagnation was more likely than epoch-making political changes. The situation would be unlikely to change until the autumn, when the results of the British elections would be known and the Abyssinian adventure would be entering a critical stage.

VON ROSENBERG

No. 145

8115/E581115-24

The Ambassador to the Holy See to the Foreign Ministry

No. 212

ROME, June 10, 1935.

Received June 13.

II Vat. 595.

Subject: Note No. 1889 of June 6, 1935, from the Cardinal Secretary of State concerning the Reich Concordat.

With reference to my previous reports.¹

I have the honour to submit to you the enclosed copy of letter No. 1889/35, of June 6, received today from the Cardinal Secretary of State, in reply to the Note sent to him by this Embassy on April 20 last,² and I would request your instructions.

BERGEN

¹ See document No. 31 and footnotes 5-8 thereto.

² This Note (8115/E581108-11; see document No. 31) replied to the Vatican Note of Jan. 29, 1935, for which see vol. III, No. 481.

[Enclosure]

His Holiness' Secretariat
of State
No. 1889/35.

THE VATICAN, June 6, 1935.

YOUR EXCELLENCY: In reply to the German Government's Note of April 20 last concerning the observance of Article 31 of the Reich Concordat, I beg to make the following observations on the basis of supplementary information received:

1) In view of the statements made by the Right Reverend the Ordinaries of the Bishoprics of Freiburg and Osnabrück, who attended the June Conference in Berlin, which agree with their previous statements as well as with those of the late Right Reverend the Bishop of Berlin, the Holy See sees no possibility of modifying the conclusions expressed in its Note of January 29 last concerning the character of the Berlin Conference.

2) If the Reich Government have recently assumed, merely on the grounds that the Bishops' Conference at Fulda was convened to take place immediately before the Berlin Conference, that the three delegate Bishops had received "sufficiently ample powers" to make final agreements, they were mistaken in drawing this conclusion. None of the Bishops participating interpreted the instructions issued at the Bishops' Conference in the sense put upon them by the Reich Government. On the contrary, the true position as regards these negotiations was made clear beyond question by specific reference being made, both before and during the negotiations, to the necessity of obtaining the views of the Hierarchy and the decision of the Holy See.

3) In order to relieve the Reich Government—who, in spite of the Holy See's last Note, apparently still have difficulty in relinquishing their thesis—of any possible doubts as to the meaning of the instructions given at the Fulda Conference, the following passages are quoted from the relevant Protocol No. 3:

"... The task of these gentlemen (the Archbishop of Freiburg and the Bishops of Osnabrück and Berlin) shall be to negotiate on the proposals made by the Holy See to the Reich Government, particularly those concerning youth and other organizations and those parts of the Reich Concordat which are relevant thereto, constantly bearing in mind the right of these organizations to exist and to continue their activities, and also the grave dangers which threaten the spiritual life of Catholics and of the Church in Germany. Definite instructions on the lines to be followed and the limits to be observed in these negotiations shall be agreed upon in a detailed discussion. The results of the official discussions shall be submitted to the Hierarchy for it to state its views and for transmission to the Holy See."

From the above it is obvious that the results of the Conference were

to be submitted to the Hierarchy for scrutiny and for an expression of opinion, and not merely for information.

4) The Hierarchy's ignorance of what proposals were to be expected from the Reich Government inevitably resulted in the delegate Bishops not being given full powers to come to a final agreement. As long as it was uncertain whether these proposals complied with the provisions of the Concordat or not, there could be no question either of a definite attitude being adopted by the Hierarchy or of full powers being granted to the negotiators.

5) The provisions of Article 31 of the Reich Concordat entailed for the delegate Bishops a normative limitation of their mandate. Should any demands be advanced, either by representatives of the Government or by the representatives of certain officially privileged organizations (Hitler Youth, Labour Front, etc.), implying not the observance but the violation of Article 31, such proposals would perforce exceed the powers delegated to the Bishops.

6) The negative attitude of the whole Hierarchy and of the Holy See to the June draft, which resulted both from this departure from the only possible purpose of the negotiations and from the incompatibility of certain Government proposals with the provisions of the Concordat, could not have come as a surprise to a negotiator who regarded the fulfilment and not the undermining of the Concordat as the purpose of the negotiations. The Holy See must reject the observations on this matter contained in the Note of April 20 last and the assertion that there was an alleged "subsequent disagreement among the Bishops", as also the attempt to place upon the Church the onus for the delay in reaching a final and satisfactory settlement. The actual fact of the delay caused by the detailed examination of the results of the negotiations and the need to obtain the votes of the various Bishops, regrettable though it may have been, would have been accepted by the Holy See, which was, indeed, already familiar with a more than usual number of episodes of the kind during other stages in the negotiations over the fulfilment of the Concordat, when negotiations were suspended by the Government, often for months at a time, while interdepartmental discussions took place and the necessary authority was obtained. What gives such interruptions of the negotiations a decidedly unsatisfactory character and indeed, from the point of view of the performance of the Concordat, renders them intolerable, is that it has often previously been the fact, as it is today, that these interruptions have primarily been used, not to say abused, by the State and by authorities protected by the State to prejudice the object of the negotiations to the detriment of the Church by producing *faits accomplis* unilaterally and in violation of the Concordat, and so forcing the ecclesiastical party to the Concordat into a less favourable position from which to continue negotiations.

7) During the period from September 14 to 20 last a revised draft of an agreement on the observance of Article 31, based on the recommendation of the Bishops and the instructions received from the Holy See, was submitted to the Reich Government by the three Bishops.³ In addition to the detailed arguments contained in the Holy See's Note of September 2 last,⁴ the Bishops furnished, at the State's request, a further written explanation of the various modifications proposed. The Reich Government considered it necessary to discuss these proposed modifications with certain Party officials and organizations (Labour Front, Reich Youth Leader). Further, it was said that the decision of the Reich Chancellor would be obtained on September 20. But the latter took no final decision on that date. Negotiations were then continued on details of the agreement, particularly as regards trade and professional organizations and on the modest amount of physical training permitted to Catholic organizations.

All this clearly shows that at the time the Reich Government had not yet adopted the point of view they subsequently took that the draft of June 29, 1934,⁵ was a final one. During the September conversations a not unpromising attempt was made to find solutions to certain points arising from the June negotiations—as, for example, over the question of occupational organizations. The Holy See was duly informed of this fact at the time. All the more incomprehensible to the Holy See, therefore, is the subsequent attempt to repudiate the progress made, which was at least recorded in the minutes, and to demand a return to the June project. To this procedure, which is incomprehensible both from the practical point of view and that of the techniques of negotiation, the Holy See is unable to give its approval, for the simple reason that it is determined to insist by all means on the faithful observance of the Concordat and not to tolerate anything in the nature of a subsequent vitiation of the Concordat. Furthermore, the Holy See is of the opinion that, as soon as the Reich Chancellor has been correctly informed of the actual progress of the negotiations, he will be convinced that the attitude of the Holy See is justified.

The statements contained in the Reich Government's Note of April 20 last cannot be considered satisfactory as regards those communications to which the Holy See has drawn attention and which have either remained unanswered or are still pending.

It is true that Nos. 1, 2 and 5 may have been mentioned from time to time in the course of discussions, but no statement of views by the Government has as yet been forthcoming. The June conference with

³ See also vol. III of this Series, document No. 212.

⁴ See *ibid.*, document No. 195.

⁵ See *ibid.*, document No. 50.

the Hierarchy cannot, in view of what is said at the beginning of this Note, be described as an agreement.

With reference to No. 3, the Holy See reaffirms that, even according to the Reich Government, the Bavarian Government have failed to reply. The reasons given for this omission are not convincing, since the reply of the Reich Government to the Holy See's Memorandum of January 31, 1934,⁶ cannot be regarded as having settled the Holy See's complaints in the special case of Bavaria. Furthermore, the Reich Government themselves evidently did not at that time regard their reply as a substitute for a reply by the Bavarian Government, for otherwise they would not have failed to make some reference to the Holy See's Note of complaint to the Bavarian Government.

With reference to No. 4 (Catholic press), the Holy See is surprised that the short general statements in the *Pro Memoria* of March 14, 1934,⁷ concerning the press, which are more than questionable both as to their arguments and their conclusions, and which do not deal in detail with a single concrete point, should have been retrospectively described by the Reich Government as a reply to the Holy See's precisely formulated proposals of February 11, 1934,⁸ concerning the freedom of the Catholic press. A simple comparison of the two documents and a re-examination thereof will certainly serve to convince the Reich Government that the contrary is the case. It would appear, when their *Pro Memoria* was despatched, that the Reich Government were not yet of this opinion, for on March 14, 1934, they themselves described their statements under V as a reply to "the objections contained in the *Pro Memoria* of January 31 with regard to the official German attitude on press questions", and made no mention whatever of the Church proposals of February 11. They will therefore not now expect the Holy See likewise to ascribe retrospectively to the *Pro Memoria* of March 14 a purpose which the Reich Government themselves did not intend it to possess at the time of its despatch.

The Holy See cannot refrain from once more pressing for a detailed and pertinent reply to its proposals of February 11, 1934, in view of the well-nigh revolutionary changes regarding the Catholic press, which, in contravention of the principles laid down in the *Pro Memoria* of March 14, 1934, have since been introduced by the unilateral and arbitrary measures of the President of the Reich Press Chamber. Nor can the Holy See refrain from pointing out here that an early acceptance of these proposals might well have prevented a great deal of anxiety and tension, as harmful to the true interests of the State as to those of the Church. In view of the importance of the question,

⁶ See vol. II of this Series, document No. 239 and footnote 2 thereto.

⁷ Not printed (8125/E581883-912). ⁸ See vol. III, No. 481, footnote 9.

the Holy See reserves the right to revert in particular to the press directive of April 24, 1935.⁹

At the conclusion of their Note, the Reich Government declare that "it remains their desire to reach an early settlement of all outstanding questions and to see an atmosphere of friendly and trustful cooperation restored between State and Church"; the Holy See looks forward with interest to seeing practical proofs of this desire. The goal can, however, only be reached by faithfully observing the Concordat, and not by vitiating it. Once the Reich Government have drawn the proper conclusions from this basic principle, the written as well as the oral exchanges of view will lose that sterility and unproductiveness which have been characteristic of the whole situation since June of last year and which are a potential source of grave dangers.

The Holy See begs that the statements in this Note be regarded as a reply to the communications made on January 28 last by Ministerialdirektor Dr. Buttman,¹⁰ but unfortunately not set down in writing, and formally requests that consultations on the basis of the September draft be initiated as soon as possible so that by a faithful observance of the Concordat the present intolerable tension may be removed.

I avail, etc.,

E. CARD. PACELLI

⁹ This was a set of ordinances, issued by the President of the Reich Press Chamber, giving the National Socialist supervisory organs unlimited powers of control over and intervention in the press (see *The Times* of Apr. 25, 1935).

¹⁰ See also vol. III of this Series, document No. 470.

No. 146

9586/E675647-50

Minister Mackensen to Foreign Minister Neurath

BUDAPEST, June 12, 1935.

DEAR FATHER:¹ I hear from Wini that you will probably be back in Berlin as from tomorrow. I am therefore making use of today's courier to tell you briefly in a private letter how the matter of Masirevich² stands, since we have, after all, so far been dealing with it directly between ourselves. Nor should I wish it to become a general topic of conversation through being officially reported and thus becoming known to a large number of departments. Here, too, the matter is being dealt with in complete secrecy so as not to make it harder to clear it up.

As you know, I discussed the matter again both with the Regent and with Gömbös immediately after Minister President Göring had

¹ Mackensen was married to Neurath's daughter Winifred.

² Hungarian Minister in Germany. Earlier documents on this question have not been found.

passed through for the first time,³ putting it in the same light as that in which General Göring had already represented it to the two gentlemen. Both gentlemen agreed without reservation that it was necessary to replace M[asirevich] by someone else and Gömbös asked me expressly to confirm that you, too, considered that after what had happened M. de M[asirevich] could no longer expect to be received officially by us. Gömbös took the view that the best course would be to settle the matter without fuss, but agreed with me that it would not be in the interests of mutual relations to allow M. de M[asirevich] to continue in office after General Göring had returned to Berlin. Then he spoke of granting M[asirevich] leave of absence, an idea which I encouraged, saying that I had heard by chance from M. de Kánya that on instructions from here M[asirevich] had recently been suddenly recalled from leave and that it would therefore be quite natural for him to go on leave again now. This seemed to settle the matter. M. de Kánya was in Geneva and could therefore not be approached on this question either by General Göring or even, to start with, by myself. I took the first opportunity after his return from Geneva to call on him, in order to convey to him on Göring's behalf that the latter would have liked to have seen him too while he was here, but had been unable to do so owing to Kánya's absence. I had actually had no intention of raising the Masirevich affair with Kánya as, in view of what the Regent and Gömbös had said, I could consider that we were sufficiently clear on it and that it was well on the way to being settled. Kánya himself, however, very soon raised the subject, explaining that Gömbös had informed him of our conversation and had added that he should settle the rest with me. I told Kánya I was somewhat surprised that he should again approach me in a matter which I felt justified in assuming, in view of what the Regent and the Minister President had told me, would be brought to the only possible conclusion without our having to intervene again. I need not recapitulate our very heated conversation in detail. I should only like to say that Kánya talked himself into a state of extreme agitation and really only calmed down when he saw from the look on my face how little I was impressed by his fit of rage. He proved absolutely incapable of separating the official from the personal, and in particular of sticking to the facts, which are perfectly plain, but kept going off into panegyrics on his favourite, Mas[irevich], whom he still regards, even today, as the *non plus ultra* of a diplomat; he also tried to bring up remarks which General Göring was supposed to have made to the Regent about him, Kánya, and to represent these as unwarranted interference in Hungary's domestic affairs. Hereupon I interrupted him to ask, very firmly and sharply, whether I was to understand, from what he had told me in such agitation, that the

³ On May 24; see document No. 91.

Regent and the Minister President had changed their minds about the Mas[irevich] affair. If so, I should naturally have to report a change of this kind to Berlin at once, where, on the strength of my previous reports, it was justifiably assumed that Hungary would take prompt action in accordance with the clearly established facts. Kánya at first evaded my question. I again requested an absolutely clear reply to my very clear question. Finally Kánya blurted out: "Tell Berlin officially that I shall remain pro-German in spite of General Göring." As I had the definite impression that K[ánya], being inwardly upset at not being able to keep his protégé, M[asirevich], vexed that, in his absence, the Regent and Gömbös had stated their views, and, furthermore, as yet not clear in his own mind about the whole matter, could not be got to discuss it calmly and objectively, I broke off the subject with the remark that at the moment it seemed to me quite pointless to continue to discuss the question with him.

I did, however, call on Gömbös again yesterday to find out from him for certain whether he had by any chance changed his mind about recalling M[asirevich]. As I had expected, G[ömbös] unequivocally denied this, reminded me that he must and would consider Kánya, and in general, quite apart from this particular incident, spoke of Masirevich in terms which indicated that he would not be sorry he was leaving Berlin, but would raise no objections if K[ánya] proposed him for another post "for which he was at present busily searching". I pointed out once again that I thought the best course would be to remove M[asirevich] from Berlin *soon*. G[ömbös] again said he agreed. To my delight he mentioned, as a possible successor, Stojakovics, who, as far as I can judge from here, is by far the best of all the candidates in question. G[ömbös] also mentioned that the Regent too was in favour of this idea. I told G[ömbös] that I had reason to believe that St[ojakovics] would be particularly welcome in Berlin.

Kánya has now asked me to come and see him again tomorrow, whether in connection with this matter I do not know. For my part, I shall only raise the subject with him again if I am specially instructed to do so.⁴

Cordial greetings and Heil Hitler

[MACKENSEN]

⁴ After a number of further exchanges, which have been filmed on Serials 9575 and 9586, Masirevich was replaced by Sztojaj, formerly known as Stojakovics, at the end of 1935 and subsequently appointed Minister in London. Replying to an enquiry from Hoesch as to the reasons for Masirevich's recall, Renthe-Fink stated in a letter of Feb. 29, 1936 (9574/E674807-08): "... Masirevich had also informed the then Italian Ambassador, Signor Cerruti, of confidential statements made to him by Minister President Göring, which concerned our relations with Yugoslavia and were obviously intended only for the Hungarian Government. . . ." See also vol. III of this Series, documents Nos. 269, 273, 291, 292, 305 and 336.

No. 147

7881/E570716-17

*The Reich War Minister and Commander in Chief of the Wehrmacht
to the Foreign Ministry*

No. 1946/35 geh. Ausl. Ia

BERLIN, June 12, 1935.

Received June 14.

II R 1456.

For the attention of Senior Counsellor Frohwein.

With reference to your letter II R 1335 II of June 6, 1935.¹

Subject: The demilitarized zone.

1. Present strength of the police force:

a) On the left bank of the Rhine, including the bridgeheads
Cologne, Coblenz and Mainz:7,136 Schutzpolizei, etc., including Feldjäger²

4,938 Landespolizei—these in barracks

total: 12,074 men, of whom 4,938 are in barracks

strength allowed: 10,000 men, of whom 3,000 in barracks

excess: 2,074 men, of whom 1,938 in barracks.

b) The Saar territory:

1,500 men, of whom 300 are in barracks.

c) On the right bank of the Rhine:

13,564 Schutzpolizei, etc., including Feldjäger

8,558 Landespolizei—these in barracks

total: 22,122 men, of whom 8,558 are in barracks

strength allowed: 20,000 men (with no restrictions placed on their
quartering in barracks)excess: 2,122 men.³d) In addition, there are the following Landjäger:⁴

1,099 men on the right bank of the Rhine

1,216 men on the left bank of the Rhine

total: 2,315 men.⁵¹ See document No. 118, footnote 1.² A para-military formation composed of SA and SS men, part of whose duties was to act as a sort of military police towards SA and SS personnel. See also *British Documents, Second Series*, vol. vi, No. 483, enclosure, and Georges Castellan: *Le Réarmement Clandestin du Reich 1930-1935* (Paris, 1954), pp. 352-353.³ This document, which was first initialled by Frohwein on June 15, bears the following marginal note against points (a), (b) and (c): "So altogether about 4,000 too many! This seems to me to be still just tolerable beside a total maximum strength of 31,500 men. F[rohwein]."⁴ Name given to the gendarmerie of certain provinces.⁵ Marginal note against point (d): "These are not included in the maximum figures for the police of the demilitarized zone. F[rohwein]."

2. The Reich War Minister will speak to the Chief of Staff of the SA regarding the activities of the SA in the demilitarized zone. Further information on the result of this discussion may follow.⁶

By order:
V. BÖCKMANN⁷

⁶ By a letter of June 22 (7881/E570723) Böckmann informed the Foreign Ministry that General Reichenau had been assured by SA Chief of Staff Lutze that the Foreign Ministry's request that the SA refrain from any military or para-military activity within the demilitarized zone would be complied with.

⁷ Marginal note at the head of this document: "In the meantime somewhat revised, cf. II M 1505. F[rohwein], June 25." II M 1505 is a communication of June 21 from the Reich War Ministry (769/270797-98), giving details of movements and reorganization of Landespolizei units and of the dissolution of anti-tank units in the demilitarized zone, and stating that future recruits for the Landespolizei would be drawn from those who had completed their military service and would be enlisted for a four-year period.

No. 148

7790/E559835-36

Memorandum by the Chief of the Group for Naval Conferences

SECRET

BERLIN, June 12, 1935.

SK 157 geh.

To M—for submission to the Commander-in-Chief.

SK request a decision on two points proposed by the London Delegation.

(1) When announcing our claim for parity of submarine tonnage in principle (given a future general settlement on a basis of parity for all as hitherto), it seems best to limit ourselves for the near future (perhaps for the period of expansion) to a smaller tonnage, in order not to give the British unnecessary cause for suspicion, particularly since on personnel grounds we cannot go substantially beyond our present programme (35 per cent). We should therefore tell the British that whilst, on principle and on grounds of our equality of rights, we must claim parity of submarine tonnage outside the otherwise applicable framework of the 35 per cent, we would, however, limit ourselves during the period of our expansion to building only about 45 per cent¹ of the British tonnage. According to present British strength as laid down by treaty, this would amount to 23,680 tons [*sic*],¹ i.e., only 5,200 tons [*sic*]¹ more than 35 per cent (18,445 tons). From the military point of view this would be no great advantage, but we would have established in principle our departure from 35 per cent in the category of submarines, without there being any fear of an appreciable hardening on the British side on account of the trifling increase.

If, on the other hand, we announce that we want to go forthwith up

¹ These figures are the result of corrections marked on the original; the calculation was previously based on a 40 per cent ratio and the figures read respectively 40, 21,080 and 2,600.

to 50 per cent of British strength, this claim would, from the military point of view, naturally make a larger immediate building programme possible for us (though owing to the personnel question it is doubtful whether such a claim could be fully utilized in the near future); on the other hand it might cause suspicion and a hardening of the British attitude.

SK therefore propose to settle for 45 per cent² [but to leave it to the Delegation's discretion whether to claim 50 per cent at first for tactical reasons, so as to be able to retreat to the lower figure].³

(2) When calculating the German tonnages by categories from the British in the proportion of 35:100, this produces figures which, when divided up among the naval units, give a slight excess or deficit in tonnage as the case may be. Thus there is, for example, a deficit of 3,250 tons for the third large battleship (35 per cent of British treaty strength = 183,750 tons, while 187,000 tons is required).

The Delegation proposed asking the British for some rounding-off of the tonnage concerned in cases where the surplus comprises 50 per cent or more of the standard displacement for a ship in the category concerned. On the other hand, this arrangement involves forgoing the remainder when the surpluses are less than 50 per cent of the normal displacement.

SK take the view that it would be preferable to demand rounding-off in each case when this seems best on the grounds of equity. It will often be a question of small amounts only, as in the present case of the battleships. It is, however, quite conceivable that on occasion a gain of more than 50 per cent of the standard displacement can be secured by way of rounding-off.⁴

SK
G[USE]

² Originally 40 per cent; see footnote 1 above.

³ The passage in square brackets has been deleted in the original.

⁴ In a telegram dated June 13 (7790/E559887), addressed to the Naval Delegation in London, Raeder stated:

"(1) Discussion has resulted in [a figure of] forty-five per cent. Will take effect on construction programme only after 1936.

(2) No general rule for rounding-off. Provide for agreement as cases arise."

No. 149

5552/E394424-25

Memorandum by the Director of Department IV

BERLIN, June 13, 1935.

e.o. IV Po. 3953.

The Polish Ambassador called on President Schacht this morning. Herr Schacht told me the following about their conversation. M.

Lipski had come on account of Danzig but had not been very well informed about the situation. He had stressed the following:

1) Poland wanted to help. President Schacht thereupon asked him how. Did he intend to send gold from the Bank of Poland to Danzig? M. Lipski said he did not, and suggested that Danzig might perhaps be helped by economic agreements. President Schacht replied that he would inform the President of the Bank of Danzig of this suggestion; he would not be seeing the Danzig Government; he was not going there [to Danzig] in his capacity of Reich Minister but only as President of the Reichsbank to return the visit of the President of the Bank of Danzig.¹ However, he would tell the people of Danzig that they could rest assured that the Bank of Danzig had all the necessary means at its disposal to maintain the Gulden and that consequently any anxiety on account of the Gulden currency was unjustified. Furthermore, he was of the opinion that exchange control² would be terminated in about two months' time.

2) M. Lipski stated that the measures taken by the Bank of Danzig were a contravention of paragraph 195, Section 3, of the Warsaw Convention.³ President Schacht replied that he could scarcely imagine this to be the case, for in 1920 Danzig had not had a currency of its own (the Danzig currency was not introduced until 1923) and quite apart from this no law on earth could force the Bank of Danzig to pay out gold when it had no gold. If Poland wished to raise objections, she must raise the matter before the League of Nations; but in view of the difficult position of all banks of issue he scarcely thought that there would be any particular desire to make the question of foreign exchange control, the introduction of which had been a matter of necessity, the subject of major political discussions. M. Lipski replied that this was indeed not Poland's intention.⁴

MEYER

¹ Schacht visited Danzig on June 14; the Consul General's report on this visit, IG 740 of June 15, is not printed (6023/H044625-27).

² See document No. 133, footnote 3.

³ See document No. 134, footnote 3. The relevant clause reads: "should the Polish Government remove such restrictions [i.e., on the export of Polish marks and foreign currency, and securities, and on the conclusion of foreign transactions in Polish marks and foreign currency], the Free City of Danzig shall not be entitled to apply similar restrictions against Poland."

⁴ A memorandum by Meyer of June 13 (5552/E394417) reads: "In view of recent occurrences I telephoned the Polish Ambassador and informed him that Herr Schacht had told me of his conversation with him [Lipski]. The Foreign Ministry was in complete agreement with President Schacht's statements. M. Lipski, who clearly did not like my telephoning him, repeatedly stressed that his visit to Herr Schacht had been purely private in character, nor had he had any authority to discuss the matter with him; he had, however, considered it desirable to inform Herr Schacht, quite privately, of the Polish view."

No. 150

5552/E394403-11

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, June 13, 1935.

DEAR HERR MEYER: In accordance with your instructions of June 12,¹ I am sending you, by courier, the attached memorandum by President of the Senate Greiser about the conversations of June 6 and 8. I also enclose a minute by President of the Senate Greiser about the discussion held with Minister Papée on June 12.²

With best wishes and Heil Hitler!

Yours etc.,

RADOWITZ³

[Enclosure]

DANZIG, June 11, 1935.

MINUTE

On Thursday, June 6, during a discussion lasting two hours held at Nuremberg at the "Deutscher Hof" hotel, the Führer and Chancellor was informed by Gauleiter Forster and myself⁴ of the situation in Danzig, particularly in its most recent phase, of the repercussions of the devaluation and of the need for further measures as proposed by us. I put to the Führer, with a request for a definite answer, the question whether Danzig should turn to Poland for assistance, in view of the Reich's repeated statements that it can no longer render aid financially or with regard to foreign currency, and whether Danzig should enter into and conduct the negotiations proposed by Poland on the unification of the currency.

At 1:30 that night the Führer declined to answer this question, pointing out that on so important a question he must first consult Minister President Göring and the Reich Minister of Economics, Schacht.

In the course of Friday and Saturday morning the various Reich Ministers were summoned to Munich by telephone and telegram and

¹ Not found.

² Not printed (5552/E394412-16). In this minute Greiser recorded the Polish protest about the introduction of foreign exchange control by Danzig (see document No. 133, footnote 3).

³ Marginal notes: (i) "To H[err] Kotze. Please ask the Foreign Minister whether the record of the meeting in Munich is to have any additions or alterations made to it. M[eyer], June 15." (ii) "No, the record is correct. v. N[eurath], June 17."

⁴ Forster and Greiser arrived in Berlin on June 6, and then flew to Munich to see Hitler (see document No. 143, footnote 1). In a memorandum of June 7 (5552/E394477) Meyer noted information from Schäfer, the President of the Bank of Danzig, that, having missed Hitler at Munich, Greiser and Forster had followed him to Nuremberg, where they had conferred with him from midnight on June 6 until 1:30 a.m. the following morning.

on Saturday, June 8, at 4 p.m. a meeting of the gentlemen concerned was held, followed by a discussion with the Führer lasting from 4:30 p.m. to 6:30 p.m. At this discussion there were present:

1. Führer and Chancellor Hitler,
2. Minister President Göring,
3. Reich Foreign Minister Neurath,
4. Reich War Minister Blomberg,
5. Reich Minister of Economics Schacht,

and for Danzig,

6. Gauleiter Forster,
7. President of the Senate Greiser.

The gentlemen listed under 1 to 5 conferred among themselves for a while, and then invited Herr Forster and myself to join them.

The Führer invited me to describe the situation in Danzig and its consequences, as I had done two days previously at Nuremberg.

I thereupon gave a brief account of the situation following the devaluation,⁵ Poland's recent attack on the currency by withdrawing foreign exchange to a value of four and a half million Gulden in a single day (Monday, June 3),⁶ the complete loss of confidence both in the currency and in the Government, the internal political opportunities thus given the Opposition, the international situation which had arisen in consequence between Danzig and Poland and which was straining German-Polish relations, and the total result for Danzig, who was now faced with the decision: if Danzig herself were to make a supreme effort, could the Reich assist her to a certain, limited, extent, or would the Reich render her no aid and would Danzig have to turn to Warsaw? At this point, I said that we were aware of the foreign exchange position in Germany and of Germany's aims with regard to rearmament, but that, as the responsible Head of the Government, I would only turn to Warsaw if expressly instructed to do so by the Führer.

Minister Schacht then stated that things were not as bad as all that. He had already seen Schäfer, the President of the bank of issue, in Berlin and advised him to introduce gold and foreign exchange control and to embark upon really stringent restrictions on credit. It made no difference that such measures might cause large and old-established firms to collapse. Moreover, it was his opinion that the Gulden could safely continue to fall and that, if Poland and the League High Commissioner were to protest against the measures for foreign exchange control, they would lose so much time putting their case to the League authorities that, in the meanwhile, these measures would have served

⁵ See document No. 65, footnote 1.

⁶ In a memorandum of June 4 (5552/E394497-98), Meyer recorded that Schäfer, the President of the Bank of Danzig, had informed him that day that on June 1 the Bank of Danzig had lost about 2 million Gulden, and on June 3, about 4½ million Gulden, owing to Polish efforts to weaken the Gulden.

so greatly to restore confidence in the Gulden that in only a short while, in a few months' time in fact, the Gulden would once again be considered the firmest currency in the world.

Greiser: I said I did not share this optimistic view, since the Danzigers' confidence in the Gulden was gone and since the stability of a currency did not depend only on gold and on control of foreign exchange, but principally on the confidence of the population. Moreover we in Danzig had already racked our brains to think of what more we could do to help ourselves. Devaluation had in itself already been a tremendous blow to economic life as a whole but nevertheless we were ourselves prepared to go farther and to do our utmost, by imposing our own measures of economy, to prove to the Reich Government how earnestly we desired to maintain the German character of the Free City of Danzig.

The Führer invited me to give a brief account of these measures.

Greiser stated that in his opinion the following measures would prove necessary:

1. The essential and non-recurring payments from the overall budget had already once been cut by 20 per cent.

Furthermore there had been a considerable reduction as a result of the devaluation of the Gulden.

Over and above this I was prepared to enforce a further cut of 25 per cent.

2. Axing at least 100 civil servants' posts from the State budget.

3. Axing at least 100 teachers' posts.

4. Axing at least 500 officials' posts.

5. Removal to Germany of upwards of 75 per cent of those persons drawing pensions or incomes from Germany, including their dependents.

6. Removal of 5,000 unemployed to Reich German places of employment, which will have to be made available in Germany.

7. Transfer of the entire State Relief Organization to Germany.

8. Transfer of the Landespolizei to Germany.

9. Closure of the College of Technology.

10. Closure of the Teachers' Training College.

11. Closure of the State Theatre.

12. Dismissals and retrenchments in the City budget to a similar extent.

I stressed that an interim period of at least three to four months would be required to carry out these measures, so as to allow of meeting the legal requirements, some of which would entail altering the Constitution, while others would contravene the existing treaties; moreover, the Reich would have to provide the subsidies for this interim period in order that it might be possible to put these proposals into effect in the autumn. And I went on to emphasize particularly that, should it prove possible, which one could not tell for certain, to

impose such extreme plans a hundred per cent, yet even so, the total budget of the Free City would not balance, but would, in spite of devaluation and retrenchments, still show a deficit of some 30 million Gulden. The foreign exchange equivalent of this deficit was about 14,071,000 RM.

Minister Schacht then stated that these calculations tallied with the results of the investigations which he himself had caused to be made. His own view was that it was axiomatic that an interim period must be granted to enable these measures to be carried out, that the whole problem was not so very difficult, and that the 14 million could indeed be found, if there really existed the determination to carry out these measures.

The Führer asked Minister President Göring to say how Poland was likely to react to this whole situation. He reported that, in his conversations with Foreign Minister Beck in Warsaw⁷ and Ambassador Lipski in Berlin,⁸ he had, amongst other things, also touched on the Danzig question and had gained the impression that Poland's attitude to the Danzig question was a loyal one and that she would not make difficulties.

Greiser expressed his pleasure at the fact that, in consequence of today's Ministerial Conference, it would now no longer be necessary to turn to Warsaw, and said that this had relieved us of a great burden which had been weighing upon us ever since the last Ministerial Conference in Minister President Göring's office,⁹ when it had appeared to us as though Danzig would be more or less sold to Poland.

At this point Minister President Göring rose from his seat and stated, with obvious annoyance, that no such conclusion could possibly have been drawn from the conference held at his office.

Gauleiter Forster raised the question of what Danzig was to do should Poland in future act upon the threat already made in one conversation¹⁰ and close her frontiers against Danzig. Danzig could not feed herself; she was dependent on Poland for supplies of food-stuffs.

Minister Schacht replied that, should such a situation arise, he would be happy to supply Danzig to a certain extent from the foodstuffs stored in Germany.

When Gauleiter Forster again asked whether we could count on this, the reply was in the affirmative, and it was expressly confirmed by the Führer.

With regard to the proposed transfer of the Landespolizei to Germany, the Reich War Minister, von Blomberg, said that for financial reasons he did not wish to expand the active Landespolizei

⁷ See document No. 98.

⁸ See document No. 97, footnote 1.

⁹ See document No. 97.

¹⁰ No record of such a conversation has been found.

any further, or to build up the *Einwohnerwehr*. Although he would be very glad to incorporate the *Landespolizei* in the German *Wehrmacht*, all the more so as the Commander of the *Wehrkreis East Prussia* had described it to him as an outstanding body of men, yet he wished to point out that for psychological reasons it was precisely the presence of a para-military formation which was required, and that the plan of removing such a formation from their headquarters should only be put into effect should it really prove absolutely impossible to find the money required to maintain them.

It was then laid down that the *Landespolizei* should only be included within the overall economy programme in case of extreme need, and then only in the last resort.

Hereupon the Führer stated his views; he stressed that Danzig, in her position of outpost, would have to undergo a very serious trial of nerves; this burden was usually a test of the nerves of a very few men who could command the energy and determination to triumph over a strain of this kind. The Führer said our situation in Danzig was like his own in 1932, in the era of Schleicher and Papen, when he had been threatened at home with the loss of roughly a quarter or a third of the entire Party through Strasser's defection;¹¹ to hold fast in such situations did not gain one popularity and affection, indeed it made one very unpopular; nevertheless, the present situation, and in particular the panic prevailing among the population of Danzig, was a temporary matter, but Germany and the German people were not, and everything now depended on the determination, energy and toughness of the leaders. Germany did not mean to abandon us, but we must remember the problem of foreign exchange control in Germany and in particular the related problem of rearmament. Within the limits of what was possible we would be given the assistance necessary to prevent Poland's influence in Danzig from increasing and Danzig from being deliberately Polonized.

Greiser then made the following points to the Führer and all the Reich Ministers present:

- (1) Germany will not desert Danzig.
- (2) Danzig shall not apply to Poland for help either directly or indirectly.
- (3) Laws shall be passed immediately after Whitsun placing the control of gold and foreign exchange under the supervision of the bank of issue. Poland, who is directly concerned by reason of the existing treaties,¹² will be faced with the accomplished fact without having been consulted in advance. It will remain to be seen how

¹¹ Gregor Strasser, one of Hitler's principal lieutenants, had broken with him on the question of participation in the Schleicher Government in December 1932. He was executed during the so-called Roehm purge of 1934.

¹² See document No. 97, footnote 4, and document No. 134, footnote 3.

Poland will react to Danzig thus taking the law into her own hands. If necessary Germany will intervene with Poland.

(4) Existing treaties, and the Constitution, which both stand in the way of the execution of the proposed economy programme, shall, if the Opposition will not help to form a majority sufficient to alter the Constitution and so permit of the requisite legislation being adopted, be circumvented or contravened if need be.

(5) Should Poland close her frontiers against the import of food-stuffs into Danzig, Germany will see to it that these foodstuffs are delivered. Germany will undertake to settle this in direct discussion with Poland.

(6) An interim period from now till the autumn will be granted to enable the economy programme to be brought into effect.

(7) Funds in Reichsmark will be provided in Germany to the extent required for putting the economy programme into effect in respect of civil servants, *rentiers*, etc.

(8) The payments for subsidies, requiring to be effected in foreign exchange from the budget after the economy programme has been put into operation, are promised to the amount of approximately 14 million RM in foreign exchange.

(9) The Reich Government will send to Danzig a trustee furnished with plenary powers by the Reich Government and the Führer, in the person of President Dr. Helferich.¹³

These points were not contested, but were accepted and confirmed as correct.

Gauleiter Forster then requested that a warship should visit Danzig in order thus to emphasize that Germany stood behind Danzig. The Führer also supported this idea. Reich War Minister von Blomberg then brought in the Commander in Chief of the Navy, Admiral von [*sic*] Raeder, and he and Admiral Raeder stated that the Polish Fleet would be visiting Kiel in July and that the German Fleet would be sending two warships and some torpedo boats on a visit to Gdynia in August, and that on this occasion they would be happy to visit Danzig too. The visit will therefore not take place in June, but has been promised for August.¹⁴

Minister Schacht asked the Führer whether it would seem desirable for him to visit Danzig on some future occasion. It was thereupon agreed that he could pay such a visit not to the Government, but to the President of the bank of issue, as his colleague. This visit is envisaged for the near future.¹⁵

The conference ended at 6:30 p.m. The Führer placed his aeroplane at my disposal for the flight to Berlin.

¹³ See documents Nos. 123, 126 and 130.

¹⁴ See document No. 258 and footnotes 4 and 5 thereto.

¹⁵ See document No. 149, footnote 1.

At 10:30 that evening, after arriving in Berlin, I went to the Foreign Ministry¹⁶ and there signed a communication to the Reich Finance Minister, in which I asked him to place at the disposal of Danzig an adviser on financial questions; in a communication signed by the Reich Finance Minister I was informed that my request had been met by the appointment of Dr. Helferich.¹⁷ In a protocol drawn up at the Foreign Ministry and signed by Ministerialdirektor Meyer, President Dr. Helferich, Finance Senator Dr. Hoppenrath and myself, the full powers assigned to Dr. Helferich in Danzig are set forth.¹⁸

I then took the night train to Danzig and arrived there on the first day of the Whitsun holiday, in the morning.

GREISER

¹⁶ In a memorandum of June 8 (5552/E394453-54) Meyer recorded that Greiser had that evening informed him of the decisions reached at the conference held that day with Hitler in Munich.

¹⁷ This exchange of letters is not printed (5552/E394450-51). The copy of Greiser's letter to Schwerin von Krosigk in the Foreign Ministry archives is dated June 6.

¹⁸ This document of June 8 (5552/E394474) reads: "During today's discussion with the President of the Senate the following principles in connection with President Helferich's activities were laid down:

1. President Helferich to be present at any meetings of the Senate and of subsidiary commissions or committees which he may wish to attend.

2. All proposals by Dr. Helferich of an economic or financial nature or having to do with economic or financial policy to be accepted immediately and in full and their realization ensured.

3. Any relevant measures proposed by the Danzig Senate to be carried out only after having been approved beforehand by President Helferich."

It is signed by Meyer, Greiser and Hoppenrath and is marked "Taken note of [*Kenntnis genommen*]. Helferich."

No. 151

5740/H032064-67

The Ambassador in Great Britain to the Foreign Ministry

A 2077

LONDON, June 13, 1935.

Received June 14.

III E 2104.

Subject: Conversation with Sir Samuel Hoare.

I had my first official conversation with the new British Foreign Secretary, Sir Samuel Hoare,¹ today.

Sir Samuel, who during the next few days will also receive the other Heads of Missions accredited here, emphasized at the start of our conversation that he was still a newcomer to his office and was well aware of how great a responsibility he had assumed. In this connection he referred to the difficulties which threatened in regard to relations between Japan and China as well as in regard to the Abyssin-

¹ Sir Samuel Hoare became Foreign Secretary on June 7, 1935.

ian question; he then turned to European problems and expressed the view that a decision would have to be taken within the next twelve months as to whether a final settlement was possible or whether affairs in Europe would assume ever more threatening forms.

I then indicated that it seemed to me that there undoubtedly were possibilities for settling the major European problems. In this connection I referred to the German-British naval negotiations and stressed the complete harmony of views which had been achieved between Germany and Britain on the air question.² I emphasized that all the prerequisites for the conclusion of an Air Pact were present and that any danger to the Air Pact came only from those States who wished to make the conclusion of the Pact dependent upon other questions.

The Foreign Secretary agreed in principle, but repeatedly expressed the fear that it would not be possible to persuade France to be a party to the Air Pact unless a settlement of the problem of the Eastern Pact were achieved at the same time.³ These statements gave me an opportunity of exposing, in full detail, the background of the whole plan of the Eastern Pact and, in so doing, of condemning the alliances, directed against Germany, between France and Russia and Russia and Czechoslovakia, to which a Rumanian-Russian alliance was now apparently also to be added. I pointed out how Russia, by means of these alliances, was more than ever penetrating into the heart of Europe and I expressed regret that a year ago, when Barthou came here with his unfortunate plan for an Eastern Pact,⁴ the British Government had aided and abetted this whole disastrous development.

Sir Samuel did not attempt to defend the alliances concluded with Russia. He repeatedly stated, however, that he could not believe that Russia constituted a threat to Germany and said he thought that Germany would do herself and the world a great service if she were to facilitate the settlement of the remaining questions, and particularly the conclusion of the Western Air Pact, by adopting a positive attitude to the Eastern Pact.

I thereupon described the history of our attitude to the Eastern Pact and explained that it was expecting a great deal of Germany that she should now, by becoming a party to the Eastern Pact, as it were sanction the alliances which were concluded solely against her. In reply to the Foreign Secretary's remark that Germany was constantly accused here of intending to gain a free hand in the East against Russia, I referred to the various declarations by our Führer and pointed out that Germany, after all, had not even a common

² See also documents Nos. 117 and 140.

³ Marginal note in Bülow's handwriting at this point: "F.O.!"

⁴ See vol. III of this Series, documents Nos. 84, 85 and 86.

frontier with Russia from which operations could be launched against that country.

Sir Samuel repeatedly emphasized how anxious he was, in the light of his seven years as Air Minister and his knowledge of the growing danger of the air arm, to eliminate the danger from the air by the conclusion of the Air Pact; he was, at the same time, filled with anxiety lest France might turn out to be a mischief maker. In reply to his question as to how I envisaged further developments, I said that Germany was prepared to enter into definitive negotiations in the fields discussed. Peace was not in any way endangered by Germany, but it was naturally conceivable that, if favourable prospects were now once more destroyed by subterfuges, Germany might come to the conclusion that international agreements were simply not feasible.

Our conversation concluded with the Foreign Secretary's inviting me to call on him frequently and discuss all outstanding questions candidly with him.

As the foregoing report shows, this first conversation consisted merely of general statements on familiar lines. I have therefore only summarized the rather detailed discussion in its most important aspects.

HOESCH

No. 152

7846/E569300-04

The Foreign Minister to the Embassy in Great Britain

BERLIN, June 14, 1935.
zu II R 1412.¹

With reference to your airgram No. 147.¹

From Wigram's remarks to Counsellor Prince Bismarck it emerges that the British desire to achieve a quick settlement of air problems has encountered obstacles in France, and that, as a result, and probably also in consequence of the British Cabinet reshuffle² and the change of Government in France,³ this matter is making no progress. Nevertheless, we still consider that it is Britain, author of the Pact project, who has become the driving force; this is confirmed by Simon's statements during your conversation on May 28 (your airgram No. 132).⁴ Since we do not wish to alter this state of affairs, we think we should be wiser not to send copies of our draft Air Pact to the other Powers concerned, although in principle there would be no objections to this, and although Wigram's remark that it was not

¹ Document No. 140.

² On June 7 Baldwin succeeded MacDonald as Prime Minister and Sir Samuel Hoare succeeded Sir John Simon as Foreign Secretary.

³ On June 7 Laval succeeded Fernand Bouisson as French Minister President.

⁴ Document No. 113.

for the British Government to forward the German draft to the other Governments may be regarded as an indirect request for us to send it ourselves. Incidentally, this remark does not seem to me to tally with what Simon said to you on the telephone and by word of mouth shortly after your interview on May 28; at any rate, we took the end of your airgram No. 134⁵ to mean that Simon had said he was willing to forward our draft to the other Powers and to invite them to state their views on the matter.

You should act in accordance with the above if the matter should come up again in discussions with the Government at your end. But you should not yourself initiate any such discussion unless you receive further instructions; if necessary, you should base yourself on the incontrovertible fact that the British Government are, as Simon promised, proceeding with the matter themselves. In comparison with this, the question of the means by which the other Locarno Powers are to be informed of our draft is only of secondary importance. As matters stand, however, the most natural way of doing things would be for the British Government to assemble the various proposals and comments so far reaching them from other Governments, and to forward them, together with their own observations, to all the interested parties, unless they prefer to draft a new proposal, based on the suggestions received, combining the various points of view. In any case it would seem desirable for all interested Powers to be treated equally and to take an equal part.

Should the British again refer to the questions raised by Simon on the occasion of our draft being communicated to him (your airgram No. 132), I would add the following for your guidance:

We have no objection to bombing from the air being condemned in the preamble, as envisaged by Simon. But we assume that this would not dispose of the question of including special treaty provisions dealing with the permissibility of bombing from the air.

Nor have we any objection in principle to the desire which Simon expressed, in connection with Article 3 of our draft, for a guarantee against the obligation to render mutual air support being at once brought into play by unimportant actions. More detailed comment on this point will, however, depend on a British proposal being forthcoming.

On the question of whether we would accept international supervision in the event of an agreement on the limitation of the air armaments of the Western European Powers by fixing a common upper limit, it should be pointed out that we have always said that international supervision would be acceptable to us once an armaments agreement had been concluded, provided it applied equally to all States and resulted in parity. This, incidentally, is a point whose

⁵ Document No. 117.

settlement depends entirely on the scope of the obligations to be undertaken, and which can only be settled by detailed negotiations.

Finally, as regards the method of dealing with the problem in future, the British Government now seem, judging by Simon's statements during the House of Commons debate on May 31⁶ and also by the statements made by Wigram, to take the view that the major problems should be dealt with first through diplomatic channels, and that here France's attitude is the chief cause of difficulties. We assume that the British, as the driving force, are in the best position to decide when sufficient progress has been made to allow of discussions on individual problems, in which we are ready to participate at any time.

Please inform Ambassador von Ribbentrop at your end of the contents of this despatch.

NEURATH

⁶ See *Parl. Deb., H. of C.*, vol. 302, cols. 1447-1454.

No. 153

5888/E431669-74

*The Reich War Ministry to the Foreign Ministry*¹

SECRET

T A No. 470/35 geh. T 3/Att. Gr. I a

BERLIN, June 14, 1935.

II M 1472.

I venture to send you herewith a report, dated May 23, from the Military Attaché at Prague, and I would ask you to take note of and return it.²

By order:
RÖSSING

[Enclosure]

Copy

German Military Attaché, Prague
To the Reichswehr Ministry,
T 3 Attaché Group

May 23, 1935.

zu II M 1472.

I gave a detailed account of my visit to Bucharest from May 7 to 14 on the occasion of my oral report in the Reichswehr Ministry on May 17.

May I again sum up briefly:

A big parade of the Bucharest garrison was held before the King on May 10, the Rumanian national holiday, to which all Government departments, the Diplomatic Corps and the representatives of the

¹ Sent via Secretary of Legation Bülow, the Foreign Ministry liaison officer.

² The copy of the enclosure here printed was evidently made in the Foreign Ministry.

Balkan Entente, who present at the time in Bucharest, were invited.

The Military Attachés accredited in Bucharest were invited by the King to ride in his party.

After a religious service to open the ceremonies in Cotroceni, the King, the Minister of War, the Chief of the General Staff and the Military Attachés mounted their horses and first rode past the stands and then past the troops which were lined up for the parade. After this there was a march past by the troops, the police, the firemen and the Red Cross before the King.

The bearing, dress and march past of the troops as well as the condition of their horses and equipment made a very good impression, although it cannot be denied that the many uniforms in brilliant colours presented a strange spectacle.

After the parade the King with his sister, the former Queen of Greece, and the Crown Prince welcomed the Military Attachés.

This brought the ceremony in Cotroceni to an end.

During my stay in Bucharest the international atmosphere dominated the meeting of the Balkan Entente³ and the question of a possible Russian [right of] military passage through Rumania. The occasion was given particular significance by the presence of the former French Minister President and Minister of War, Paul-Boncour, who quite obviously had been sent to Rumania to influence public opinion.

When I arrived, the Russian military passage question was the subject of general conjecture. Some political circles in Bucharest were of the opinion that Rumania would grant Russia rights of military passage. Others doubted this, since, according to opinions widely held, neither the King, nor the Chief of the General Staff, nor the Minister of the Interior would hear of such a concession.

Admittedly, these others were anxious lest the Rumanian Foreign Minister, Titulescu, should after all succeed in persuading the King to change his mind; in fact, it was even expected that the King would give in.

Titulescu had been in Paris shortly before. It was said that he had already gone very far there with the French in the question of military passage. He had returned from France on May 6, stopped at Sinaia, the King's summer residence, and had been immediately received in audience. A violent disagreement is supposed to have occurred there between the King and the Minister of the Interior on the one hand, and Titulescu on the other, because the first two strongly rejected any concessions in the question of military passage.

Whether and to what extent military passage was prevented in this discussion could not definitely be ascertained. Bucharest circles

³ Held May 10-13; reports on it received by the Foreign Ministry have been filmed on Serial 9604.

remained in the dark about all this. It was not possible to discover anything concrete. I was also told by the Polish Military Attaché in Bucharest, who is generally well informed and is, of course, particularly interested in this question, that he could discover nothing for certain.

Finally, I requested an audience with the King, for which I had a good reason, as I had with me the regimental history of the 1st Regiment of Foot Guards,⁴ which he had asked for and which I wished to present to him.

I was received by the King at 3:30 p.m. on May 13 and had an opportunity of discussing the most varied matters with him. The ultimate object of my audience was to learn from him direct something about the Russian military passage question.

The first part of our conversation concerned the Rumanian and German armies. The King showed a lively interest in us and our rearmament without giving me the impression that he wanted to pump me. Old memories of his days in Potsdam apparently rose up before him. After we had talked for about three quarters of an hour, I became concerned lest the audience should come to an end before I had achieved my actual objective.

I therefore considered it best to steer straight for it and asked the King's permission to put a question. I told him that everybody was at present disturbed lest Rumania intended, in certain circumstances, to grant the Russians rights of military passage. I explained at the same time that I had said to all the gentlemen to whom I had spoken on the subject that I could not believe the King would lend himself to such a concession.

After these words I stopped; the King smiled and said briefly: "I do not think so either."

I merely acknowledged the King's remark with a courteous bow and refrained from pressing him any further.

The King himself then touched upon the Russian problem and said that Bolshevism in Russia was no longer such a serious question since the Russians were, after all, becoming more and more a *nation*. To this I replied that, even if one could adopt this view, it must not be forgotten that the Third International was still operating very actively and had not stopped spreading the ideology of Bolshevism throughout the world by all available means. Indeed, I said most emphatically that Bolshevism was the absolute antithesis of any dynasty. The King grew somewhat thoughtful as I spoke, which gave me a good opportunity of going straight on to ask him if he were well informed about Russia and whether he had a Military Attaché in Moscow.

He answered this question in a flash and told me that he would not

⁴ King Carol's old regiment.

like to have a Military Attaché there, as otherwise he would also have to allow a Russian one in Bucharest and there was no question of this.

I gathered from the conversation as a whole that he has no sympathy whatsoever for Russia. I came away from the one and a quarter hour's audience, during which the King was extremely friendly and courteous, with the impression that in all probability he had told me the truth and that the question of the Russian military passage was settled for the moment.

At the end the King asked me not to wait too long before making my next visit. He expressed the hope of seeing me again at the latest during the manœuvres, which I promised.

I have sent neither our Legation at Bucharest nor the Foreign Ministry a copy of the foregoing.⁵

TSCHUNKE

⁵ In despatch No. 1493 of May 14 (6695/H103038-40) Pochhammer reported the reasons why he had arranged for Tschunke to have audience of the King and gave a brief *résumé* of the conversation reported in the document here printed.

No. 154

7790/E559869-76

*Unsigned Memorandum*¹

[LONDON, June 17, 1935.]

RECORD OF THE ANGLO-GERMAN NAVAL DISCUSSION AT 6 P.M. ON
MONDAY, JUNE 17, 1935 (AT THE CARLTON HOTEL)

Present: Ambassador von Ribbentrop
Admiral Schuster
Lieutenant Commander Kiderlen
Dr. Kordt
Dr. Schmidt

Mr. Craigie
Mr. [*sic*] Danckwerts

Ambassador von Ribbentrop said that the first section of the British draft for an exchange of Notes² was unfortunately quite unacceptable to the German Delegation, as it created an entirely new situation and completely altered the basis on which negotiations had taken place hitherto. He would be grateful if Mr. Craigie could inform him how the British Delegation had arrived at the view set forth in Section 1 of their draft. He recalled that he had previously told Mr. Craigie quite plainly that we regarded the British Government's acceptance of the ratio of 100:35 as a precondition for the dis-

¹ See Editors' Note, p. 250.

² Not found; for the latest draft of which the text has been found see *ibid*, item (iii) (2); this makes no reference to a general conference on the limitation of naval armaments.

cussions.³ As emerged from the German minutes of the meeting, this view had been clearly and decisively confirmed by the British Foreign Secretary, Sir John Simon, when he officially declared that the British Government finally accepted the ratio of 100:35 and merely wished to inform the other naval Powers of this decision.⁴ Ambassador von Ribbentrop recalled that, when the German Delegation enquired whether this represented a final decision by the British Government which would remain firm and final irrespective of the decision of other Governments and independently of any other factors, both Sir John Simon and the First Lord of the Admiralty had answered quite plainly in the affirmative. For this reason the German Delegation were quite at a loss to understand how Section 1 of the British draft for an exchange of Notes could have come to be inserted in the text. Ambassador von Ribbentrop had thought that, when they had separated this morning after the discussion with Mr. Craigie,⁵ there had been complete accord about the agreement, and that only stylistic changes would be made in the wording of the agreement which was otherwise clearly laid down.

Mr. Craigie expressed deep regret that the object of the proposal made by the British side in respect of Section 1 should have been misunderstood on the German side. He was anxious to confirm most decisively that there had been no change in the basis on which the agreement was to be concluded. As Herr von Ribbentrop had just stated, Sir John Simon had definitively accepted the German Reich Chancellor's proposal, and this acceptance had determined the British attitude throughout. There had been no intention of deviating in any way from this basic attitude.

The reason why the British Delegation had proposed Section 1 was that, from the telegrams which had been received in the Foreign Office from Paris after Mr. Craigie's return from the morning's conversation with Ambassador von Ribbentrop, it had emerged that the French would probably give the proposed agreement between Britain and Germany a very bad reception. Since the object of this agreement was apparently not understood in Paris, the British Foreign Secretary had expressed the wish that, if possible, a passage should be inserted in this agreement which, without affecting the unalterable decision of the British Government, would make the agreement rather more palatable to France; which was, after all, in the interests of the two countries concerned. It was indeed entirely correct to declare, as was done in Section 1, that in the opinion of both countries the German-British Agreement should serve to facilitate an international agreement. The German side too had, after all, expressed itself in

³ See document No. 181.

⁴ See document No. 141.

⁵ No record of this conversation has been found.

this sense. If the agreement between Germany and Britain served only to increase difficulties with other countries, then the two countries would have done each other a disservice. It was after all self-evident that this agreement was designed to facilitate further agreements within a wider framework and there was no further thought hidden behind the British draft. If the German Delegation wished to make amendments, they were very ready on the British side to study them. It was, however, in the interests of both countries to let the agreement appear in as favourable a light as possible for France. It should not be forgotten that France had been consistently opposed to any special arrangements in separate fields of the limitation of armaments. Although on the British side they had, indeed, always taken the view that the limitation of naval armaments was a question which could be dealt with independently of other problems relating to the limitation of armaments, nevertheless the British side wished to emphasize *vis-à-vis* France that this special settlement should be regarded as a contribution to the general limitation of armaments, and they hoped that the British Foreign Secretary's wish to give some indication of this in the German-British agreement would be taken into account by the German side.

Ambassador von Ribbentrop said that he was happy to take note of Mr. Craigie's statement that the basic attitude of the British Delegation had not changed since their conversation that morning. He would only add that, in the interests of the historic act which both countries now had in view, he would have regretted it if the German delegates had been forced to return to Germany having established that there was a misunderstanding between the two countries over a fundamental point. He understood the wish of the British Foreign Secretary and could only say that the German Delegation for its part, too, would do everything to avoid giving the impression in other countries that this agreement involved anything particularly secret. Up to this point he understood the British attitude. When, however, Mr. Craigie alluded to the telegrams which showed the state of agitation among the French about the conclusion of the German-British Agreement, the German Delegation found this incomprehensible. This was after all the first step towards a real limitation of armaments. Nor should it be forgotten that, by his magnanimous decision to fix a permanent ratio between the naval strengths of Germany and Great Britain, the German Reich Chancellor might also be faced in the future, if third countries markedly increased their armaments, with an extremely difficult situation arising from the Franco-Russian Military Alliance and the completely obscure position of Russia. The German Delegation therefore could not understand the reasons why the French should be upset by the outcome of the present negotiations, which was conducive to the tranquillization of

Europe and thereby benefited France as well. After long speeches and conferences, this first step was at last a positive contribution towards the limitation of armaments and the French had no reason to get excited about it. Ambassador von Ribbentrop regretted that efforts towards a real tranquillization for the benefit of the whole of Europe should be prejudiced in this way. As regards the attitude of the German Reich Chancellor to these questions, everything that was necessary had already been said. The Reich Chancellor had finally declared himself free from the discriminatory stipulations of the Versailles Treaty, and the German Delegation had left Mr. Craigie in no doubt that this was an absolute *conditio sine qua non* for the opening of discussions. He regretted that the British version should have introduced certain reminiscences of the Versailles Treaty into the negotiations, and the British Delegation could hardly take it amiss if this draft text had made a somewhat curious impression on him and the other members of the German Delegation. He was, however, glad that Mr. Craigie had just confirmed that the British Delegation had no intention of reviving such matters by their version of the text. The German Delegation were prepared to do their utmost to stress *vis-à-vis* other countries the general benefits accruing from the German-British Agreement. They would not, however, accept any allusion to the Treaty of Versailles or to certain conversations in Berlin. He must recall once again the question which he had addressed to the British Foreign Secretary with a view to clarifying the subject. Sir John Simon had stated quite plainly that acceptance of the German proposal represented a final decision by the British Government which would no longer be dependent on any other factors. Although he (von Ribbentrop) could not see why they should need particularly to reassure France, he was nevertheless prepared to agree to a formula which would make the German-British Agreement more intelligible to the French. Furthermore, he was convinced that many Frenchmen would at once of their own accord appreciate the advantage for their country of a German-British agreement. He could of course by no means agree to the first section of the British draft in its present form, but was ready to accept a version which said that a general limitation of armaments would be facilitated by this agreement.

Mr. Craigie thanked Ambassador von Ribbentrop for his clear and unambiguous exposition of the German attitude. He too considered that France had no reason to fear the consequences of a German-British agreement from which the British expected the best possible results for France also. The state of agitation among the French was due to their Latin temperament, of which Germany too had been treated to some examples. It must also be held to the credit of the French Government that they did not yet know the details of the agreement. Furthermore, it could not be disputed that the German-

British Agreement affected certain important legal questions and in this respect represented a major step taken without consulting France. He was, however, sure that France would view matters rather more calmly when everything had been properly explained to her. The principal aim of the agreement consisted in facilitating the conclusion of a general convention. There had been absolutely no intention on the British side of bringing the Versailles Treaty into this agreement in such a way that everything said in the subsequent sections of the text depended on this Treaty. There was no such intention on the British side and if it could somehow be read into the text, as had apparently been done by the German Delegation, it would be better to amend this text forthwith. Mr. Craigie then proposed a version on approximately the following lines: "During the last few days conversations have taken place between German and British representatives, the primary purpose of which has been to prepare the ground for a general conference, etc."

Ambassador von Ribbentrop said that he agreed that the facilitating of a future agreement should be given as the principal aim of the German-British conversations. It must, however, be brought out absolutely plainly that the agreement between the British and German Governments was completely unalterable and that this German-British Agreement was in no way dependent on any future general international treaties. If a text of this sort were adopted, the German Delegation would be prepared to discuss the further wishes of the British Delegation.

Craigie expressed his complete agreement with Herr von Ribbentrop on the point that nothing should be said in this version which could in any way convey the impression that the agreement was not firm and unalterable. It would remain firm in all circumstances. On this point no misunderstanding should be possible. He then again proposed the version already given above. "Your Excellency, during the last few days conversations have taken place between representatives of the German and British Governments, the primary purpose of which has been to prepare the ground for a general conference on the limitation of naval armaments.

"I have now much pleasure in being able to notify you . . ."

There was further discussion about a new version of section (e). Agreement was finally reached on the text contained in the final exchange of Notes.⁶ Moreover, some further points in the British draft Note were discussed and settled.

It was decided to prepare, immediately afterwards, the final German and English texts and to convene the meeting at which the official exchange of Notes should take place for Tuesday, June 18, 1935, at 11 a.m. at the Foreign Office.⁷

⁶ See document No. 156, enclosure 1.

⁷ See document No. 156.

No. 155

5747/H085837-43

The Ambassador in the United States to the Foreign Ministry

No. 1048

WASHINGTON, D.C.—June 18, 1935.

Received—June 29.

III A 1824.

Subject: The American attitude to political events in Europe.

A more sober assessment of political events in Europe and a more objective attitude to our foreign policy have for some time been observable amongst the public here. This applies both to political circles, in particular to Congress and Government quarters, and to the press. Exceptions are, of course, left-wing and Jewish circles and their press, who still have nothing good to say about anything that emanates from or is associated with Germany. This lessening of tension amongst the public here is demonstrated in particular by the fact that talk of a war in Europe has practically ceased altogether. On the one hand, whilst the people at first suspected Germany of having belligerent designs in view of her rearmament, they now seem convinced that she is neither desirous nor economically capable of waging a war. It is, on the other hand, realized that Germany's opponents are not united nor has their rearmament reached a stage where, by means of war or effective economic sanctions, they could prevent Germany's rise to a position of a Power enjoying equality of rights. Whereas only recently reports from all parts of Europe about rearmament and war preparations predominated, such reports have of late been rare.

It is possible that the increasing preoccupation of public attention by other events, such as the happenings in American domestic politics, the Duce's action against Abyssinia and Japan's renewed activities in the Far East, have contributed to the reversal which is beginning to make itself felt. It would seem, however, that in addition to this a certain degree of enlightenment and rational assessment of our international dispute in Europe has supervened.

It seems to me that this changed attitude originated at Stresa,¹ which, when it came to nothing, made the public here realize that Europe could not be pacified by the methods pursued under the leadership of France, namely the encirclement of Germany. Not only did the great difficulties in the way of forming a united front against Germany become particularly clear at Stresa, but it also became apparent that no progress could be made with the methods so far pursued; decisions would be postponed from conference to con-

¹ i.e., the meeting of British, French and Italian statesmen at Stresa, Apr. 11-14, 1935; see also document No. 33 and footnote 3 thereto.

ference and no action would result from the innumerable speeches. Germany's offer to conclude non-aggression pacts² had a startlingly sobering effect; for although, under the influence of the constant anti-German campaign, Germany had previously always been regarded as the sole trouble-maker, whose rearmament threatened European peace, people now began to consider Europe more objectively and it was widely recognized that the pacification of Europe could not be achieved either by a policy of force or by a policy of alliances. More and more people began to say that it was precisely the isolation of Germany which would lead to peace being threatened. In any case, the encirclement of Germany was not possible as the differences between the various European nations were too great, indeed irreconcilable. The old Versailles methods of humiliating Germany should be abandoned and a policy of reconciliation should be initiated instead.

This slight change of mood received fresh impetus from Germany's condemnation by the Council of the League of Nations.³ It was, admittedly, pointed out that the League of Nations had had to do something to maintain its prestige and that it could not have overlooked Germany's alleged breach of the Treaty. It soon began to be felt, however, that it would have been better to regard Germany's action as a *fait accompli*. The League of Nations had by its resolution merely damaged its own position and had only lessened the chances of coming to an understanding with Germany. The League of Nations resolution was anything but a statesman-like performance and, as was repeatedly stressed in Congressional circles, its authors were the last people to be entitled to pass judgement on a treaty violation, since they themselves had defaulted on their own debt obligations [*Schuld-enverträge*].⁴ If there must be talk of blame, then this lay on those who had not disarmed and who had not given Germany equality of rights.

The Russo-French agreements⁵ have only lent further impetus to the trend, described above, towards a reversal of opinion here. Certainly the Russo-French alliance has in many quarters here been represented as the answer to German rearmament and as an instrument of peace. The agreements are, however, too strongly reminiscent of the pre-war alliance which, according to the view widely held here, as elsewhere, led to the catastrophe of 1914. In consequence, as time went on, people began to condemn the Franco-Russian alliance and to realize that this was not the right way to secure peace. Here and

² Contained in Hitler's speech of May 21; see Editors' Note, p. 171.

³ See Editors' Note, p. 65.

⁴ The reference is to the default on allied war debts to the United States.

⁵ The Franco-Soviet Treaty of Mutual Assistance and Protocol of Signature, signed in Paris, May 2, 1935; for the text see League of Nations: *Treaty Series*, vol. CLXVII, pp. 395-406.

there it is already being pointed out that it was France who had thwarted every attempt at putting an end to German-French antagonism and who had sabotaged all efforts towards disarmament. To this must be added that sympathy for Russia has indeed diminished considerably, that many people have had their eyes opened about Bolshevism, especially during the brief period of the official *rapprochement*,⁶ and that they are beginning to realize the threat which Bolshevism represents, particularly to Germany.

Furthermore, the Führer's speech⁷ had a lasting effect on the new attitude. There was not, in this connection, any lack of malicious comment, and people even went so far as to assert that the speech had only been prompted by the realization of the hopelessness of encircled Germany's position. Moreover, it was thought that the speech was designed merely to gain time until preparations for war had been completed. At present Germany was neither ready nor sufficiently strong economically; she had neither raw materials nor foreign exchange. This was why peaceful speeches were necessary just now. Those who doubted our good faith, however, were very much in the minority. The majority were genuinely impressed by the pronouncements; nor were they backward in expressing fitting appreciation. They could not, after all, ignore our readiness for a general limitation of armaments and for non-aggression pacts, and thus our sincere desire for peace. In consequence, attention was drawn in various quarters to the fact that the Führer's speech opened the way not only to further negotiations but also to the abolition, based on equality of rights, of world wars, and thus to lasting peace. This impression has been further strengthened by the German offer of a Locarno air pact.⁸

Since it is desired to follow Britain's example in all questions of European policy, this has finally been done in the present instance too. Britain's policy of mediation finally tipped the balance in favour of the new policy here. The British policy of reconciliation and disarmament on a voluntary basis has been accepted with a sympathy as great as was the impression made here by the speed with which the German-British naval conversations came about. And opinions such as those of Lloyd George, the last survivor of the famous Four, and of the Prince of Wales and the Archbishop of Canterbury, have not been ignored here either.

The above is not in any way intended to give the impression that American opinion has everywhere finally come down on our side. There can be no question of that. It would depend, in the first place, on further developments in Europe itself and, secondly, on the future

⁶ The United States had resumed diplomatic relations with Russia on Nov. 16, 1933.

⁷ See Editors' Note, p. 171.

⁸ In Hitler's speech of May 21; see footnote 7 above, and also document No. 106 and enclosure thereto.

attitude of Britain, whose example will, as far as Europe is concerned, probably continue to be followed. Apart from this, hostile propaganda and those forces in this country which are hostile to us are still flourishing. Even though they have, as far as our purely political interests are concerned, been somewhat reduced, partly as a result of appropriate counter-action, this does not mean that the battle has been won. We should by no means allow ourselves to be deceived on this point. All these forces are still at work, as is proved by several recent inflammatory reports accusing us of somehow harbouring some kind of sinister designs. One need but recall the fantastic reports about the scale of our armaments, about our intentions in the Rhineland, or about the renewed submarine threat, of which latter, in connection with the twentieth anniversary of the sinking of the *Lusitania*,⁹ a great deal has been made.

It seems to me, however, that we may consider one thing to have been achieved: With the exception of those who are entirely hostile, people today regard our course as a just one, whilst not always approving our methods. And, ultimately, the restoration of Germany's military power is viewed with respect, being regarded as a fact about which the other nations could, in effect, do nothing.

LUTHER

¹ The Cunard passenger liner *Lusitania* was torpedoed by a German submarine off the southern coast of Ireland on May 7, 1915, with a loss of 1,198 lives, of whom 128 were United States citizens and 94 children.

No. 156

7468/H183055-59

*Unsigned Memorandum*¹

SECRET

N.C. (G) 7th Mtg.

LONDON, June 18, 1935.

[zu] II R 1501.²

COPY No. 2

ANGLO-GERMAN NAVAL CONVERSATIONS

DRAFT NOTES of the Seventh Meeting between Representatives of the United Kingdom and Germany at the Foreign Office on Monday, 18th June, 1935, at 11.0 a.m.

(To be agreed to by the German Delegation)

¹ In English in the original, this was sent to the Foreign Ministry by Ribbentrop under cover of airgram No. 156 of June 21 (7468/H183052) which reads: "Enclosed is a copy of a protocol, to be initialled by Mr. Craigie and myself, of the meeting at the Foreign Office on June 18, at which the Anglo-German exchange of Notes took place.

"The [procedure of] initialling and establishing the protocol of the meeting was adopted because during the proceedings the British Foreign Secretary formally answered two questions, previously agreed upon.

The protocol is to be regarded as confidential." The original texts of the Agreement have not been found.

² II R 1501 is the airgram cited in footnote 1 above.

PRESENT

UNITED KINGDOM

The Rt. Hon. Sir Samuel Hoare,
Bt., G.C.S.I., G.B.E., C.M.G.,
M.P., Secretary of State for
Foreign Affairs.

The Rt. Hon. Sir Bolton M. Eyres
Monsell, G.B.E., M.P., First
Lord of the Admiralty.

Mr. R. L. Craigie, C.B., C.M.G.,
Assistant Under Secretary of
State, Foreign Office.

Vice-Admiral C. J. C. Little,
K.C.B., Deputy Chief of the
Naval Staff.

Captain V. H. Danckwerts, R.N.,
(Admiralty).

Mr. R. C. Cox (Foreign Office).

Commander A. W. Clarke, R.N., Assistant Secretary,
Committee of Imperial Defence.....Secretary.

GERMANY

His Excellency Herr von Ribben-
trop, Ambassador Extraordin-
ary and Plenipotentiary of
Germany.

Rear Admiral K. G. Schuster.

Captain E. Wassner.

Korvetten Kapitän H. Kiderlen.

Dr. Kordt (Secretary).

Dr. Schmidt (Interpreter).

SIR SAMUEL HOARE opened the proceedings by saying how very glad he was to be here to-day to meet the naval members of the German Delegation and also to conclude with them an agreement which would, he believed, not only serve the interests of their two countries but also be an important factor in facilitating the conclusion of a general agreement for the limitation of naval armament. The proposal of the Chancellor of the Reich had been recognised by His Majesty's Government and by public opinion in this country as an event of historic importance which should have a beneficial influence on the future relations of their two countries. But the significance of what the two parties were about to do to-day would be even greater if the two Governments regarded it also as a stepping stone on the road towards a general international treaty designed to avert that most serious of all evils—unlimited competition in the construction of naval armaments. There would, he thought, be a great responsibility on both Governments to see that this agreement was used by their two countries in no selfish spirit but was, on the contrary, made the occasion to ease the problems and difficulties facing the various naval Powers. If applied in this spirit, he believed that the work they were doing here to-day would prove of permanent benefit not merely to Germany and the members of the British Commonwealth of Nations, but also to mankind as a whole.

HERR VON RIBBENTROP thanked the British Foreign Secretary very much for the words which he had just addressed to the German

Delegation, and he said he associated himself in the name of his Delegation fully and completely with those remarks. He also said he was glad and proud that he was able to-day on behalf of his Government to conclude this Anglo-German Naval Agreement which had been made possible by the generous and far-sighted outlook of the Chancellor of the German Reich, and by the understanding attitude of His Majesty's Government. He believed that, through this agreement, after years of negotiations and Conferences, the first practical step had been taken towards a limitation of armaments and the pacification of Europe in general. The German Government would be happy if further steps along this road should follow. The Naval Agreement which they had prepared regulated once and for all with wise judgment the naval questions as between Great Britain and Germany. Any naval rivalry was thus rendered impossible for ever. Thus began a new chapter in the history of their countries, and the foundation was laid for a future friendship of the two great countries. He said he knew that he was representing the views of the Chancellor of the German Reich and the whole German people in expressing the wish that the 18th of June, 1935 may prove for future generations of Englishmen and Germans an historic date which has brought nothing but happiness and blessings to both countries.

Herr von Ribbentrop then said that he had two more questions to put forward in connection with the Agreement.—Firstly, it is the understanding of the German Government that it has in the past been the general policy of the United Kingdom to endeavour to deter other naval Powers from embarking on abnormal or exceptional construction of a kind calculated to upset the general equilibrium of naval strength. When such endeavours have failed, it has been the consistent policy of the United Kingdom to increase her naval strength when her vital interests have been threatened by increased construction by other Powers. May the German Government assume that, quite independently of the present agreement, the United Kingdom is likely to follow a similar policy in future?

SIR SAMUEL HOARE said that this was a question which he could unhesitatingly answer in the affirmative.

HERR VON RIBBENTROP then asked whether the German Delegation could assume that, as regards the present situation, the questions dealt with in sub-paragraph (d) will be settled in the discussion now in hand.

SIR BOLTON EYRES MONSELL replied "Yes, in accordance with the principles contained in sub-paragraph (d)."

He then said that the British Delegation were handing the German Delegation the Note defining the Agreement that has been reached although it is an unusual procedure to sign a Naval Agreement until the details had been examined. The British Delegation did so in full

confidence that the German Delegation would now bring forward their proposals regarding the strength and building programme of the German Navy. On the part of the British Delegation they had no intention of making any stipulations or proposals that might be surprising or embarrassing to the German Delegation or the German Government, and they confidently anticipated that the German Delegation would approach the further discussions in a similar spirit.

HERR VON RIBBENTROP in reply said the German Delegation were of opinion that now agreement on the matter of principle had been concluded there should be no obstacle in the way of open and frank discussions on the details. On their side these discussions would be conducted in a spirit of loyal and friendly exchange of opinions between two nations who were friends. He hoped that if any surprises were forthcoming in the future discussions they would prove to be agreeable ones.

SIR SAMUEL HOARE then asked Herr von Ribbentrop whether he would agree to take the Note and the reply by the German Delegation as read.

HERR VON RIBBENTROP said he concurred in this proposal as both parties were already fully aware of the contents of the Notes.

The Notes were then signed and exchanged between Sir Samuel Hoare and Herr von Ribbentrop.

(A copy of the British Note and the German reply is attached to this record as an Annex.)

SIR SAMUEL HOARE said that the British Government were proposing to publish these Notes in the morning Press the next day, Wednesday, 19th June. Meanwhile, a White Paper would be prepared to inform the House of Commons of what had taken place.³ He enquired whether the German Delegation would be willing to make similar arrangements to withhold the issue of these Notes until a time which would prevent any earlier publication than in the next day's Press.

HERR VON RIBBENTROP acquiesced in this arrangement, and it was agreed that the text of the Notes should not be released before 6.0 p.m. that night.

SIR SAMUEL HOARE explained that the British Delegation contemplated handing copies of the Notes that afternoon to the Representatives in London of the four other Powers, who were signatories of the Washington Treaty, and he hoped that this procedure was agreeable to the German Delegation.

HERR VON RIBBENTROP said he was quite agreeable, and that they on their part would take no steps to communicate the Notes to those

³ See British White Paper, Cmd. 4930 of 1935: *Exchange of Notes between His Majesty's Government in the United Kingdom and the German Government regarding the Limitation of Naval Armaments, London, June 18, 1935.*

Powers. He then enquired what should be told to the Press that day with regard to the morning's Meeting.

MR. CRAIGIE suggested that the Press should be informed that agreement had been reached at that morning's Meeting, and that the text of this Agreement would be issued late that evening for publication in the next day's papers.

HERR VON RIBBENTROP signified that he would speak in the same sense to the Press. It was then agreed to adjourn until 4.0 p.m. that afternoon, when a further Meeting would take place at the Admiralty.

7468/H183025-27

[Enclosure 1]

Foreign Office, S.W.1.

18th June, 1935.

YOUR EXCELLENCY: During the last few days the representatives of the German Government and His Majesty's Government in the United Kingdom have been engaged in conversations, the primary purpose of which has been to prepare the way for the holding of a general conference on the subject of the limitation of naval armaments. I have now much pleasure in notifying Your Excellency of the formal acceptance by His Majesty's Government in the United Kingdom of the proposal of the German Government discussed at those conversations that the future strength of the German navy in relation to the aggregate naval strength of the Members of the British Commonwealth of Nations should be in the proportion of 35:100. His Majesty's Government in the United Kingdom regard this proposal as a contribution of the greatest importance to the cause of future naval limitation. They further believe that the agreement which they have now reached with the German Government, and which they regard as a permanent and definite agreement as from today between the two Governments, will facilitate the conclusion of a general agreement on the subject of naval limitation between all the naval Powers of the world.

2. His Majesty's Government in the United Kingdom also agree with the explanations which were furnished by the German representatives in the course of the recent discussions in London as to the method of application of this principle. These explanations may be summarised as follows:

(a) The ratio 35:100 is to be a permanent relationship, i.e. the total tonnage of the German fleet shall never exceed a percentage of 35 of the aggregate tonnage of the naval forces, as defined by treaty, of the Members of the British Commonwealth of Nations or, if there should in future be no treaty limitations of this tonnage, a percentage of 35 of the aggregate of the actual tonnages of the Members of the British Commonwealth of Nations.

(b) If any future general treaty of naval limitation should not adopt the method of limitation by agreed ratios between the fleets of different Powers, the German Government will not insist on the incorporation of the ratio mentioned in the preceding sub-paragraph in such future general treaty, provided that the method therein adopted for the future limitation of naval armaments is such as to give Germany full guarantees that this ratio can be maintained.

(c) Germany will adhere to the ratio 35:100 in all circumstances, e.g. the ratio will not be affected by the construction of other Powers. If the general equilibrium of naval armaments, as normally maintained in the past, should be violently upset by any abnormal and exceptional construction by other Powers, the German Government reserve the right to invite His Majesty's Government in the United Kingdom to examine the new situation thus created.

(d) The German Government favour, in the matter of limitation of naval armaments, that system which divides naval vessels into categories, fixing the maximum tonnage and/or armament for vessels in each category, and allocates the tonnage to be allowed to each Power by categories of vessels. Consequently, in principle, and subject to (f) below, the German Government are prepared to apply the 35% ratio to the tonnage of each category of vessel to be maintained and to make any variation of this ratio in a particular category or categories dependent on the arrangements to this end that may be arrived at in a future general treaty on naval limitation, such arrangements being based on the principle that any increase in one category would be compensated for by a corresponding reduction in others. If no general treaty on naval limitation should be concluded, or if the future general treaty should not contain provisions creating limitation by categories, the manner and degree in which the German Government will have the right to vary the 35% ratio in one or more categories will be a matter for settlement by agreement between the German Government and His Majesty's Government in the United Kingdom, in the light of the naval situation then existing.

(e) If, and for so long as, other important naval Powers retain a single category for cruisers and destroyers, Germany shall enjoy the right to have [a] single category for these two classes of vessels, although she would prefer to see these classes in two categories.

(f) In the matter of submarines, however, Germany, while not exceeding the ratio of 35:100 in respect of total tonnage shall have the right to possess a submarine tonnage equal to the total submarine tonnage possessed by the Members of the British Commonwealth of Nations. The German Government, however, undertake that, except in the circumstances indicated in the immediately following sentence, Germany's submarine tonnage shall not exceed 45% of the total of that possessed by the Members of the British Commonwealth of

Nations. The German Government reserve the right, in the event of a situation arising which in their opinion makes it necessary for Germany to avail herself of her right to a percentage of submarine tonnage exceeding the 45% above-mentioned, to give notice to this effect to His Majesty's Government in the United Kingdom and agree that the matter shall be the subject of friendly discussion before the German Government exercise that right.

(g) Since it is highly improbable that the calculation of the 35% ratio should give for each category of vessels tonnage figures exactly divisible by the maximum individual tonnage permitted for ships in that category, it may be necessary that adjustments should be made in order that Germany shall not be debarred from utilizing her tonnage to the full. It has consequently been agreed what [*sic*] the German Government and His Majesty's Government in the United Kingdom will settle by common accord that [*sic*] adjustments are necessary for this purpose and it is understood that this procedure shall not result in any substantial or permanent departure from the ratio 35 : 100 in respect of total strengths.

3. With reference to sub-paragraph (e) of the explanations set out above, I have the honour to inform you that His Majesty's Government in the United Kingdom have taken note of the reservation and recognise the right therein set out, on the understanding that the 35:100 ratio will be maintained in default of agreement to the contrary between the two Governments.

4. I have the honour to request Your Excellency to inform me that the German Government agree that the proposal of the German Government has been correctly set out in the preceding paragraphs of this note.

I have the honour to be, with the highest consideration,

Your Excellency's obedient servant,

SAMUEL HOARE

7468/H183065

[Enclosure 2]

LONDON, 18th June, 1935.

YOUR EXCELLENCY: I have the honour to acknowledge the receipt of Your Excellency's note of to-day's date in which you were so good as to communicate to me on behalf of His Majesty's Government in the United Kingdom the following:

(Here follows a German translation of Paragraphs 1 to 3 of the text of the British note.)

I have the honour to confirm to Your Excellency that the proposal of the German Government is correctly set forth in the foregoing note, and I note with pleasure that His Majesty's Government in the United Kingdom accept this proposal.

The German Government, for their part, are also of the opinion that

the agreement at which they have now arrived with His Majesty's Government in the United Kingdom and which they regard as a permanent and definite agreement with effect from today between the two Governments, will facilitate the conclusion of a general agreement on this question between all the naval Powers of the world.

I have, etc.,

JOACHIM VON RIBBENTROP
Ambassador Extraordinary and
Plenipotentiary of Germany

No. 157

9262/E655138-44

*The Foreign Ministry to the Reich and Prussian Ministry of
Economics*

BERLIN, June 19, 1935.
zu W 6101.¹

With reference to your communication of June 3, 1935,
E 1/6888/35.¹

I entirely agree with the Reich and Prussian Ministry of Economics that every suitable means of promoting and increasing the export of German goods must be seized upon and utilized. Moreover, now that we can no longer spare even the foreign exchange required for promoting exports with the aid of the bonds and scrip procedure,² other means must be employed. For this reason I should have been very happy if I could have agreed with the draft law communicated to me. Unfortunately, the knowledge available in the Foreign Ministry, which is based upon years of observation of the legislation, practice and tendencies of foreign countries with regard to anti-subsidies and anti-dumping measures, make it my duty earnestly to advise against the promulgation of the law communicated to me. Not only do I fear that the promulgation of such a law will lead to counter measures against German exports in one country or another, but I am almost certain of it. Once one country has thus taken the first step, the Governments of other countries will hardly be able to withstand the pressure of interested parties which will be evoked thereby; that is to

¹ Not printed (9262/E655123-25). This communication stated that the Reichsbank's extraordinary lack of foreign exchange rendered impossible the continued employment of foreign exchange for the purchase of bonds and scrip, and enclosed a draft law on the raising of levies from industry (9262/E655126) and the reasons therefore [*Begründung*] (9262/E655127-28). The text of this draft law reads: "The Reich Minister of Economics many issue ordinances concerning the raising and employment of levies by groups or combines of *entrepreneurs* and industrial concerns as self-administering bodies, and concerning the collection and exaction of such levies. As far as such ordinances also fall within the sphere of competence of another Reich Ministry, they will be issued in agreement with it."

² See document No. 22, footnote 5.

say, other countries too will proceed to take corresponding measures against the export of German goods.

In order to make clear the *de jure* and *de facto* situation in the country which must primarily be considered, namely the USA, I should like to set forth the following:

The relevant legal provisions are contained in Section 303 of the American Customs Tariff Law of 1930.³ It is well known to the Foreign Ministry that the responsible Government authorities and the interested private business circles in the United States have concerned themselves repeatedly in the last few years with the question of whether these legal provisions could and should be applied to Germany. There are two reasons why—apart from special isolated cases—this has not been generally done hitherto. One, and the decisive one, is that, on a strict and objective interpretation of these legal provisions, the bonds and scrip procedure followed hitherto has not in fact fulfilled the necessary conditions for the application of these legal provisions. (See the communication from the Reich Ministry of Economics of October 11, 1933—III B 33306⁴—and the communication from the Foreign Ministry of October 26, 1933—III A 3323/III).⁴ In addition, the fact may also have played a part that, where the bonds and scrip procedure was concerned, large numbers of influential quarters in the United States had an interest in not losing their only chance of realizing the bonds and scrip. It is otherwise with the procedure now proposed. No one in the United States has a positive interest in this procedure; on the contrary, among large sections the opposite is the case. Moreover, it could not, should the question arise, be successfully disputed that the state of affairs presupposed by the above-mentioned Section 303 exists. Even if the intended contribution from German firms is raised quite voluntarily and by means of a real self-help arrangement on the part of German business, it is in no way certain that the state of affairs envisaged in Section 303 will not thereby have been created. I would, on the contrary, point out to the Reich Ministry of Economics that even in this case the danger of the imposition of countervailing duties [*Ausgleichszoll-Zuschläge*] exists. In any case, the current interest of foreign countries has long since been directed to this plan. (See the communication from the Foreign Ministry of March 21, 1935—III A 726⁴—and the reply from the Reich Ministry of Economics of April 25, 1935—II 12473⁴—and also the two enclosures to today's communication.)⁵ If the Foreign Ministry had been informed earlier about the plan for a voluntary contribution and its purpose, it would have been able to indicate earlier the dangers existing even with an

³ For the text of Section 303 of the Tariff Act of 1930 see *Foreign Relations of the United States, 1934* (Washington, 1951), vol. II, p. 402.

⁴ Not found.

⁵ Not printed (9262/E655145-46).

entirely voluntary contribution. If, however, legal regulation and State compulsion are now to take the place of the voluntary principle and the self-help arrangement, the state of affairs envisaged by the anti-subsidies legislation of the United States and other countries will undeniably exist. The arguments to the contrary in the communication from the Reich Ministry of Economics of June 3, 1935—E 1 6888/35⁶—and in the reasoning [*Begründung*] that supports the draft law are not convincing. The thesis in the communication from the Reich Ministry of Economics that the new supplementary export procedure does not, either in form or in substance, give foreign countries cause to accuse Germany of dumping is not correct. If need be Germany could, with reference to the whole international situation regarding currencies and the exchange of goods, quote many and good reasons in justification of the intended German measure and to show its inevitability, but it could not be successfully disputed that dumping or the promotion of exports by means of premiums, as envisaged by foreign legislation, existed. In view of this dangerous situation we must at least avoid basing the intended new procedure on law and compulsion by the State.

In this connection I would also point out that the Government of the United States, as is well known, are in a position to discover the circumstances through enquiries by the treasury agents (Customs Attachés)⁷ in individual German firms, just as recourse to American firms resident in Germany, e.g. Fords, for contribution and the promotion of exports will make it probable that nothing can be concealed from the Government of the United States.

If, for these reasons, the Foreign Ministry feels obliged to utter a warning against the promulgation of this law, it is not because unpleasant disputes with foreign countries are visualized, but solely because not only would the new procedure fail as the result of foreign counter measures but it must also be feared that a wave of anti-dumping and similar measures against Germany would cause German exports to be hampered even more than they are under the present unsatisfactory position.

This being my view of the situation as a whole, I would recommend that an attempt be made to achieve as complete a cooperation on the part of the business world as possible, by the originally intended and truly voluntary method. I realize that obstructiveness by individual firms is more than a blemish [*Schönheitsfehler*] or an irregularity. However, the deficiencies caused thereby can be borne more easily than the counter measures by foreign countries which must be expected in the other case.

The Reich and Prussian Ministry of Food and Agriculture, the

⁶ See footnote 1 above.

⁷ The words "treasury agents (Customs Attachés)" are in English in the original.

Reich Finance Ministry, the Directorate of the Reichsbank and the Staff of the Führer's Deputy will receive copies of this communication.

By order:
RITTER⁸

⁸ Marginal notes to this document: (i) "Although I agree with it, this communication should have been submitted to me before despatch. v. N[eurath], June 21." (ii) "To be submitted to the Foreign Minister with reference to the marginal note overleaf. When signing the communication to the Reich Ministry of Economics I considered whether I should submit it to the Foreign Minister. I refrained from doing so only because the communication from the Reich Ministry of Economics of June 3—E1/6888/35—is signed merely by Herr Brinkmann. Ritter, June 22, 1935." Rudolf Brinkmann was an acting member of the governing body of the German Golddiskontbank and an official in the Reich Ministry of Economics.

No. 158

5552/394392-93

Memorandum by the Director of Department IV

BERLIN, June 19, 1935.

State Secretary Körner¹ informs me that Ambassador Lipski called on Minister President Göring the day before yesterday on account of Danzig.² M. Lipski stated that Poland would do all she could to ease the difficulties of the situation in Danzig. Minister President Göring then instructed Herr Greiser to conduct the negotiations with the Poles in the friendliest possible way, to show accommodation wherever possible and on no account to permit the negotiations³ to be broken off.

I informed Herr Körner that President Greiser had telephoned the Reich Foreign Minister this morning and informed him that the Polish demands were quite excessive and would amount to the surrender of Danzig's economic life to Poland. Herr von Neurath had told Herr Greiser that he must not depart from the course laid down by the Führer.⁴ Thereupon Herr Körner stated that nevertheless the negotiations must not be broken off and that further decisions would now have to be made at a further meeting in Berlin. The Minister

¹ Of the Prussian Ministry of State.

² See also Szembek: *Journal*, pp. 95, 97 and 98.

³ In a memorandum of June 19 (5552/E394383), Lieres recorded information from Prince Lubomirski, the Polish Counsellor of Embassy, to the effect that Roman, the Polish Minister in Stockholm, had begun negotiations with Greiser on the previous day. Records of the meetings of Danzig and Polish representatives on June 19 and 24, by Böttcher and Schäfer respectively, have been found in the Foreign Ministry archives (5552/E394379-82, E394330-36); Meyer noted information from Greiser about a discussion on June 22 in a memorandum of June 23 (5552/E394373-74). No record of the discussion of June 18 has been found. According to the record of the June 24 talks, Roman declared that he could see no prospect of further progress; he would have to report to his Government. In a despatch of June 26 (5552/E394329) Radowitz reported that Greiser and Schäfer thought that Poland would probably not break off the negotiations, and that Ambassador Moltke was of the same opinion.

⁴ See document No. 150. No record of Neurath's telephone conversation with Greiser has been found.

President, who had been charged by the Führer with the care of Danzig, considered it of the utmost importance that the negotiations in Danzig should not take a critical turn and that the links so far established should not be broken.

I told Herr Körner that there could be no question of this happening; the negotiations should on no account be broken off; but on the other hand Danzig could not simply agree to all the Polish demands. I would leave for Danzig tomorrow morning in order to discuss the situation there,⁵ and would get in touch with him immediately upon my return.⁶ Herr Greiser had been requested not to lose touch [with the Poles] but, on the other hand, to avoid committing himself in any way.⁷

MEYER

⁵ Meyer visited Danzig and Königsberg, June 20–30. Memoranda on his discussions with Greiser and other Danzig personalities, and with Lester, the League High Commissioner, have been filmed as 5552/E394304–10, E394343–52, E394365–78.

⁶ Meyer reviewed the situation in Danzig in a memorandum of July 2 (5552/E394340–42), copies of which were transmitted under a covering letter of the same date (5552/E394339) to the Prussian Ministry of State, President of the Reichsbank Schacht, Ambassador Moltke and the Consulate General in Danzig.

⁷ Marginal notes: (i) "St[ate] S[ecretary] Körner will inform the Min[ister] Pres[ident], who will if necessary get in touch with the Foreign Minister. M[eyer]." (ii) "Has been submitted to the Foreign Minister. Ko[tze], [June] 19."

No. 159

5740/H032094

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 155 of June 19

LONDON, June 19, 1935.

Received June 20.

III E 2197.

With reference to my telegram No. 152.¹

At yesterday's luncheon with the Queen at Ascot, the Prince of Wales spoke to me again about his well known pronouncement about British Legion representatives visiting Germany.²

The Prince, who seems greatly to interest himself in the matter, informed me that he had received telegrams of approval from Reich Minister Göring and General Count von der Goltz.³ He then intimated again that, beside widespread public agreement, his utterances had evoked a good deal of criticism and had been misinterpreted in

¹ Of June 14 (5740/H032069–70); in this telegram Hoesch reported on the reactions in London to the Prince of Wales' speech (see footnote 2 below) and on conversations on the subject which Bismarck and he had had with the Prince on June 12 and 13 respectively.

² On June 11, 1935, the Prince of Wales addressed British Legion delegates at their annual conference at the Queen's Hall; see *The Times* of June 12, 1935.

³ Head of the Reich League of German Officers.

many quarters. In making his pronouncement he had not, he continued, wished to get involved in the maelstrom of political events but had only expressed, entirely on his own initiative, an idea which had seemed to him right and useful and of whose expediency he was as convinced as ever. Comment which tried to construe his words as a political declaration was mistaken. He believed, however, that the timidity and hesitation which, as is well known, were characteristic of politicians, were much slower in achieving results than a frank word spoken at the right moment, even though it might exceed the bounds of reserve normally maintained.

I should like to point out once again how important it is that we should so arrange the forthcoming visit of the British Legion delegation⁴ that it is a success in every respect.

HOESCH

⁴ An invitation extended to the British Legion by the four German ex-servicemen's organizations was accepted on June 14; a delegation of five arrived in Berlin on July 14. In despatch A 2785 of Aug. 13 (5740/H032304-07) Hoesch reported on a conversation with the Chairman of the British Legion about the visit and about a possible return visit by German ex-servicemen.

No. 160

9590/E676057-59

Memorandum by an Official of Department II¹

BERLIN, June 20, 1935.

II Balk. 1432 R.

The Rumanian Minister, whom I met at a party yesterday evening, told me that he had telephoned Titulescu and drawn his attention to the reports which have, during the last few days, been appearing in the press in increasing numbers, about a Rumanian-Russian assistance pact being about to be concluded. Titulescu had authorized him to deny these reports categorically. When I expressed doubt, M. Comnen explained that no one in his senses would deny that an exchange of views on the question of Rumania's future relations with Soviet Russia was at present taking place between the Governments concerned. Nevertheless, it was a far cry from this to definite pact negotiations, much less the conclusion of a pact. He believed that he would be correctly representing what Titulescu, with whom he had discussed the matter at length, thought about it, if he said that as things were at present Titulescu would avoid so far-reaching a commit-

¹ A covering minute of June 20 addressed to Köpke by Renthe-Fink (9590/E676055) reads: "Herr Dumont has submitted the attached memorandum about a conversation with M. Comnen. Apparently M. Comnen evaded the awkward question of the right of transit for Russian forces through or over Rumanian territory." This minute bears the following marginal note: "I have the same impression. But still the conversation is interesting and in many respects revealing for us. Köpke, June 21."

ment to Soviet Russia. Obviously Rumania would somehow have to come to an understanding with her mighty neighbour Russia with whom she had a frontier of 1000 km. in common. On the other hand, not only the King but also large sections of the population entertained a deep-seated mistrust of Soviet Russia, and there was little support for the idea of a possible military cooperation with their Red neighbour. The people of Rumania remembered only too well the sad experiences they had had of Russia during recent decades: The decisive armed assistance which Rumania had rendered Russia during the Russo-Turkish war² had been paid for by the loss of Bessarabia, and during the World War Russia had abandoned Rumania at a most critical moment. After all, history showed that Russia saw in Rumania the chief hindrance to her traditional drive towards Constantinople and that Bessarabia was the first stage on this road. When I asked whether Rumania, precisely in order to obtain official recognition of the Bessarabian frontier, might yield to the Franco-Russian desire for a pact, M. Comnen denied this on the grounds that Titulescu and every Rumanian ruler took the view that the Bessarabian question had been solved in the Rumanian sense.

For all these reasons a rational Rumanian policy towards Russia would seek to promote friendly and neighbourly relations, but would at the same time wish to be on good terms with Germany (a course which was in any case prescribed by economic necessity) and would never undertake anything without or against Germany. This, in particular, was also Titulescu's view, and the latter had repeatedly confirmed this to him in lengthy conversations. M. Comnen insisted on this, even when I vigorously objected that Titulescu often seemed far removed from this line of thought.

DUMONT

² i.e., in 1877-1878.

No. 161

7790/E559946-47

Memorandum by the Naval Attaché in Great Britain

LONDON, June 20, 1935.

On June 20, I lunched with Captain Danckwerts, and what he said in the course of the conversation was roughly as follows:

It had previously been believed that our conversations might be concluded with some sort of an "agreement",¹ which would form a foundation on which it would be possible to build in further negotiations with other States. However, after our statement that we proposed to proceed at the tempo of one "Capital Ship"¹ to be laid down

¹ In English in the original.

per year 1936-37-38,² he saw no possibility of any such "agreement"¹ being reached. In this connection he felt bound to say that:

(a) Up till a short time ago (about a month) the British Government had been definitely unfriendly in their attitude towards Germany. The Admiralty had in the strongest possible manner advocated the new course which had resulted in our 35 per cent "agreement",¹ and had succeeded in this, despite the fact that British Government circles were by no means all convinced that a showdown by force with Germany was beyond the realm of possibility. If the British Government were now to be informed of the tempo which we had indicated, then these circles would indeed be able to regard this as a threat and would refuse to conclude a further "agreement",¹ as it assuredly would be in both our interests to do.

(b) The French Government were also convinced of this and, in his opinion, would certainly become extremely agitated over our timetable, as would also the whole of French public opinion.

From the further course of the conversation it emerged that Captain Danckwerts believes that, if Germany could perhaps bring herself so to arrange the building of her "Capital Ships"¹ under this expansion programme—which, in itself, and in view of the position as a whole, is naturally entirely vague and hypothetical—that they are laid down every other year, e.g. in 1936-38-40, then it might well be found possible to come to some final "agreement"¹ with regard to the whole building programme of both countries.

When I argued that as far as France was concerned it would make no difference what time-table was proposed—e.g. if we were to say 1936-38-40, and so on—since we should again and again be faced with the same strained situation, Captain Danckwerts said he still thought that, in that case, the British Government would succeed in keeping France's susceptibilities in check.

Captain Danckwerts then of his own accord raised the question of the difficulties we should encounter as regards personnel in the projected expansion of the navy, but he seemed to be satisfied with the answers which I had no difficulty in giving him.

WASSNER

² See Editors' Note, p. 250, item II (vii) (1) and document No. 165, appendix 1.

No. 162

7468/H188079-80

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 126 of June 21

ROME, June 21, 1935—11:35 p.m.

Received June 22—2:30 a.m.

II R 1511.

Suvich spoke to me today about the Italian attitude towards the German-British Naval Pact, in the sense that in itself Italy had only a secondary interest in this Pact, since the spheres of action of the German and Italian fleets lay far apart. France for her part sharply condemned the British action as being inconsistent with Versailles, the principles hitherto observed by the Great Powers in their naval policy and the spirit of Stresa; furthermore, France was watching the birth of German sea power with anxiety. For Italy too the British method had been extremely surprising; Italy was, however, primarily interested only in the possible repercussions of the German-British Agreement on other Powers. In particular, any French decision to strengthen their own fleet as a result of the German-British Agreement (admittedly there were no signs of this to date) would be of far-reaching and unwelcome significance to Italy. Therefore Italy had substantially not taken up any attitude towards the German-British Agreement, but had reserved her full position in case of such repercussions.

Eden's visit to Rome¹ (he will arrive here on Monday and probably stay two days) corresponded with the British desire to confer equally with Italy as with France about the German-British Naval Agreement and about procedure in relation to the Air Pact. With regard to the Air Pact, Britain had not communicated the German draft,² since she did not wish to act as an intermediary; the Italians were therefore not acquainted with the German draft. There was no Italian draft, and Britain for her part had recently merely let it be known that she was not in favour of a system of bilateral air pacts.

In agreement with the British programme already mentioned for Eden's visit, the Italians had, said Suvich, let it be known that they did not want to discuss any other subject apart from their Abyssinian problem.

Other questions would not be considered as subjects for the conversations. All preparations had been made for the Mediterranean Pact³

¹ Eden visited Rome June 24-26; see also documents Nos. 183 and 188.

² See document No. 106, enclosure.

³ Informal conversations took place from March 1935 onwards between the Italian, Greek, Turkish, Yugoslav and Bulgarian Governments for the signature of a Mediterranean pact. Documents on these conversations have been filmed as 7844/E569254-59 and 9666/E681338-46. See also Document No. 144.

and it was outside the scope of the discussions. The Eastern Pact was of very little interest to Italy.

Suvich added at this point that, according to Italy's information, Czechoslovakia and Russia were very active in urging Rumania to conclude a pact on the model of the Czech-Russian one.⁴ There was, however, at present considerable resistance to this project in Bucharest, an attitude which Poland was encouraging. As regards the Danubian Pact, no Italian initiative was to be expected. It was not Italy but France who had thought of the idea in its present form. For her part, Italy had done everything possible in conversations with Austria, Hungary and others, and had no desire to burn her fingers over the delicate questions which arose in this connection, for instance over the rearming of the smaller States etc.

HASSELL

⁴ See document No. 105 and footnote 4 thereto.

No. 163

769/270785-86

The Foreign Ministry to the Missions in Great Britain, France, Italy and Belgium

BERLIN, June 21, 1935.
zu II M 1467¹ Ang. II.

For your information.

On June 17 the French Chargé d'Affaires raised the question of the provisions contained in Article 12, paragraph 2, of the Defence Law² with the Foreign Ministry and left the enclosed *aide-mémoire*.³ According to this Article, the registration of those liable to military service in the demilitarized zone is carried out through the civil authorities in charge of the general internal administration and not, as in the other parts of the Reich, through special military recruiting centres (*Wehrbezirkskommandos*). We have replied to the *aide-mémoire* in a Memorandum of June 18, which is also enclosed.

¹ II M 1467 was the registry number given to the War Ministry's letter of June 18 (769/270781) which stated that there were no objections to the proposed reply to the French Chargé d'Affaires. Angabe I of June 18 (769/270784) transmitted to the War Ministry a copy of the reply to the Chargé d'Affaires.

² See Editors' Note, p. 178, and document No. 32, footnote 6.

³ Not printed (769/270776-77). In their *aide-mémoire* the French Government stated that they felt compelled to make all reservations concerning the establishment of recruiting offices throughout Germany as being contrary to Part V of the Treaty of Versailles, and without prejudice to this position requested certain information as to the functions of such offices in the demilitarized zone. In a memorandum of June 17 (769/270775) Bülow recorded a conversation with the French Chargé d'Affaires on the occasion of the presentation of this *aide-mémoire*. An earlier semi-official *démarche* on the subject of recruiting offices in the demilitarized zone, made by Arnal on his Government's instructions on June 5, is recorded in a memorandum of that date by Renthe-Fink (769/270770-71).

By way of explanation we would add that the provisions contained in Article 12, paragraph 2, were specially included in the Defence Law to ensure that the regulations for the demilitarization of the Rhineland were respected. It is therefore all the more regrettable that the French Government should have deemed it necessary for the Chargé d'Affaires to make this *démarche*. The matter seems, however, to have been settled by our reply; it has not been reported in the press.

By order:

KÖPKE

769/270782

[Enclosure]

REPLY TO THE *AIDE-MÉMOIRE* OF JUNE 17 FROM THE FRENCH
CHARGÉ D'AFFAIRES CONCERNING THE RECRUITING OFFICES IN
THE DEMILITARIZED ZONE

BERLIN, June 18, 1935.

Regarding the reservations made by the French Government in the *aide-mémoire* handed over by the French Chargé d'Affaires on June 17 concerning the measures taken by Germany in the sphere of armaments in general, the German Government would draw attention to the statements made by the German Reich Chancellor in his speech of May 21. From these statements it is clear that Germany cannot accept the reservations made by the French Government and why she cannot do so.

As regards more particularly the registration of those liable for military service in the demilitarized zone, this task has been explicitly assigned, under the Defence Law of May 21, 1935, to the general and internal civil administrative authorities, while in other parts of the German Reich special military boards have been set up for this purpose. The work of the civil authorities concerned consists exclusively of listing those liable for military service in the demilitarized zone, classifying them, and having them sent to do their service in the military formations stationed outside the said zone. Neither these civil authorities nor other offices in the demilitarized zone have been given any tasks connected with mobilization, such as, for instance, creating, equipping, and arming formations for the event of war, or making preparations to this end.

No. 164

6001/E443087-90

The Ambassador in Italy to the Foreign Ministry

I 376

ROME, June 21, 1935.

Received June 22.

[II It. 991.]¹

POLITICAL REPORT

Subject: Italian foreign policy.

Italian foreign policy at the present time may best be described as tentatively feeling its way. It is completely dominated by the Abyssinian question, to which every other problem in the field of international affairs is subordinated, to such a degree indeed that Italy's relations with the other European Great Powers are primarily considered from the point of view of their attitude towards the Abyssinian question. This applies above all to Britain, whose attitude has been the cause of that deliberately staged press campaign the tone of which was admittedly so maladroit, and which, directed as it was against a friendly Power, was almost unprecedented. The press campaign was brought to an end as abruptly as it had been started. This does not, however, alter the fact that the differences remain. The rumours that Britain and Italy have already come to an understanding on Abyssinia are, as far as I can see, certainly not true. The Foreign Ministry expressly confirmed this to a member of this Embassy in the course of conversation, though it was added that, in time, negotiations with Britain would probably take place.

Although Italian policy towards Britain is at least outwardly characterized by the firmness of its tone, where France is concerned the effort to maintain at least the fiction of unshakeable solidarity is evident. The rapture of friendship which, after a long feud, followed upon Laval's visit, admittedly gave place to considerable disillusionment and renewed mistrust after the conclusion of the Franco-Russian Pact² and the last meeting of the Council at Geneva.³ This mistrust still exists today in undiminished strength. Its public manifestations are, however, systematically suppressed, so as to create the appearance of Britain being isolated in her attitude to the Abyssinian problem and Italy being loyally supported by her Latin sister.

Italy's attitude towards the German-British Naval Agreement,⁴ too, should be viewed in this context; without venturing too far, it is

¹ Taken from another copy (7468/H183231-34).

² See document No. 70, footnote 1.

³ i.e., the eighty-sixth Session of the Council, held May 20-25, 1935.

⁴ See document No. 156.

nevertheless made apparent that Britain's action in isolation is disapproved of and that French misgivings and objections meet with understanding.

If a measure of reserve is maintained here in respect of this question, this is due to the tendency, which indubitably prevails, not to jeopardize the improved atmosphere that has been created between Germany and Italy. On the other hand, there can be observed a certain disappointment, due to Italy's general nervousness in foreign affairs, over the fact that, while this improvement in the atmosphere has been maintained, no practical cooperation between Rome and Berlin has resulted in the field of foreign affairs.⁵ Though it would be an exaggeration to speak at this stage of a reversal in the Italian attitude towards Germany, nevertheless greater hopes had been entertained here, if perhaps only vaguely, in respect of the initiation of better relations with us, precisely because of the awkward international situation in which Italy finds herself. From a confidant, who has always proved to be well informed, I learn that there is disappointment in the Palazzo Chigi that, while France and other countries are eagerly courting Italy, Germany has remained silent. It is felt that, unfortunately, nothing of real import is going on between Berlin and Rome. It is felt that relations have certainly improved, and that the ending of the mutual press feud is gratifying, but that there is no indication whatever that an understanding will develop further in any positive sense. Berlin does not seem to wish to seize the opportunity to come to a real *intesa*, to an agreement. Precisely *what* is desired of Germany at the present juncture is not easy to define. What my above-mentioned confidant has to say on this point is, however, not without interest; he thinks that the *intesa* might, for instance, be developed along the following three lines:

1) Mutual *désintéressement* in questions which do not concern the other party: e.g. possibly Italy's *désintéressement* in the Eastern Pact, Germany's *désintéressement* in the Albanian question and in respect of Italy's Balkan policy—a point which would raise once again the question of a general German-Italian understanding regarding South East Europe.⁶ To this must, of course, be added benevolent neutrality in the Abyssinian question.

2) A common policy towards the League of Nations, proceeding from the assumption that Italy will withdraw in the autumn.

3) Common principles governing policy towards colonial questions, whereby Germany (besides adopting the attitude already mentioned to the Abyssinian question) would concentrate her desiderata on her own former colonies, thereby being assured of Italian goodwill. Italy's Abyssinian policy—as may be remarked in passing—is of

⁵ Marginal note in Neurath's handwriting: "?"

⁶ See also document No. 61.

advantage to us in that it introduces a dynamic element into the static situation of the colonial problem.

Behind all this there remains, of course, as a *pièce de résistance* or window-dressing, according to the way one looks at it, the Austrian problem. My confidant employed the following formula in this context: "Postponement of the Austrian problem until such time as questions of territorial revision in South Eastern Europe become acute in any case."⁵

There is no need to emphasize that at the back of all cogitation as to how to achieve good and stable relations with Germany is the uncertain and difficult situation in which, to the discerning eye, Italy finds herself. So unfavourable is this situation that we cannot but wonder whether it would indeed be worth our while seriously to strive for friendly relations with a country like Italy in her present position. Understandable though this doubt may be, the question must, in my opinion, be answered in the affirmative. Neither the tactical nor the "atmospheric" benefits of such relations with Italy should be rated too low even in future. To this extent the hints given by my confidant appear to me at least worthy of note. At all events it would in my opinion be advisable, as I have repeatedly stressed, to make use of every opportunity that offers to make the Italians feel that we fully consider them to be a Great Power and that we attach decisive importance to maintaining good relations with them. At the present moment I should have thought this could, for instance, be conveyed by our informing them in a friendly manner of our point of view and our aims over the London Naval Agreement.⁷

HASSELL

⁷ Marginal note: "Dir[ector] II [i.e., Köpke], please discuss. v. N[eurath], June 22." Attached to this report is the following handwritten minute (6001/E443085-86): "1) The general idea is correct! 2) But why a German initiative now? 3) What good would it do us? 4) Italy's price will presumably come steadily down. 5) Gaining time means everything to us. 6) If commitments are unavoidable, then as late as possible. 7) If it were Cerruti who spoke and reported in this way I could understand it. K[öpke]."

No. 165

7468/H183144-54

*Unsigned Memorandum*¹

Copy

Version of June 23, 1935—1:30 a.m.

SECRET

SUMMARY OF DISCUSSIONS BETWEEN THE BRITISH AND GERMAN NAVAL REPRESENTATIVES

During the discussions in London between representatives of the United Kingdom and Germany, the following matters, supplementary

¹ The text, which is in English in the original and which formed an enclosure to document No. 181, has been printed here for the convenience of the reader. An identical copy of the summary, bearing the typed initials of Vice Admiral Little and Rear Admiral Schuster, has been filmed as 7790/E560193-99. The German translation has been filmed as 7468/H183155-62.

to the general agreement registered in the exchange of notes on the 18th June, have been discussed and no divergences have been found to exist.

Qualitative Limitations.

2. The German Delegation supports the aim of the United Kingdom to reach qualitative limitation in any future agreement.

Germany will be ready to accept any limitation of types, for instance reduction of displacements and reduction of gun calibre, as well as any abolition of types, e.g. the abolition of Cruisers A and Submarines, if such regulations applied, and were at the same time carried through, by all other naval Powers. Germany would particularly welcome any such measures as a further step towards the limitation of naval armaments.

Capital Ships.

3. Germany supports the British proposal for the limitation of capital ships to 25 000 ts with 12" guns, and would be prepared to accept an even lower limit, if general agreement could be obtained on it.

Subject to the general reservation that irrespective of the qualitative limits, that may be reached in any future treaty Germany may build capital ships F. G. and H. referred to below to the tonnage of 35 000 if France builds the FRANCE and the two succeeding capital ships to that tonnage.

Aircraft Carriers.

4. Germany supports the British proposal for limitation to 22 000 ts. and would like to see an even smaller type agreed to.

Cruisers A.

5. Germany is in agreement with the desirability of avoiding future construction of these ships, by general agreement if possible, subject to later arrangements to compensate for the disadvantage that the prohibition of future construction might involve for Germany.

Cruisers B.

6. Germany is satisfied with the limit proposed, viz., 7 000 ts.

Destroyers.

7. Germany, in so far as her experience goes at present, agrees that an 1850 ton upper limit is sufficient. In principle, she would like to have a percentage distribution between the flotilla leader and the smaller destroyer (under 1500 ts), but owing to the number of vessels of the larger size constructed by other powers and the small German total tonnage, she is not able to accept this in practice at present.

The German Delegation also agree that the name "Flotilla Leader" is misleading and serves little purpose, and that the entire category might well be called "Destroyers".

Submarines.

8. Germany supports the British Governments desire for the complete abolition of submarines, and if it could be achieved would be prepared to scrap the submarines they might have built or be building at the time.

Germany is also prepared, in the absence of abolition, to agree to any maximum tonnage limit for submarines that may be generally agreed upon.²

Quantitative limitations.

9. Germany is, in principle, in agreement with the British proposal for reaching agreement on building programmes to be freely declared by the various Powers, but since at present Germany is in the process of building up an entirely new fleet, the programme which she must undertake in the next 8 years is clearly greater than the normal programme which would be necessary for replacement purposes of a fleet of the size which Germany will attain under the 35% ratio agreement.

Germany's Building Programme.

10. The building programme initially put forward by Germany is summarized on the attached Appendix I. The following notes refer to the figures there given.

Capital ships.³

Ships D and E will be of 26 000 ts each with 11" guns.

Ship F will be of 35 000 ts in reply to the French ship *FRANCE*.

It had been intended to mount 15" guns in this ship, but if France and Italy will undertake to mount 14" guns in the four 35 000 ts ships they have building or projected, Germany will do the same.

Ship G will be of 35 000 ts if France builds a second *FRANCE* of 35 000 ts.

Ship H will be of whatever qualitative limit is agreed upon in the future, provided that France also adheres to that limit.

² In despatch Mar. No. 508 of July 4 (2067/449112) Wassner reported that he had raised no objection to an Admiralty proposal to release the text of this paragraph 8 in order to counter attacks made in the Commons and elsewhere. See also *The Times* of July 5, 1935.

³ The letters D-G represent respectively the *Scharnhorst*, *Gneisenau*, *Bismarck* and *Tirpitz*; the keel of H was laid in the summer of 1939 but was later scrapped. See also *Trial of the Major War Criminals before the International Military Tribunal* (Nuremberg, 1947-49) (hereinafter cited as *Trial of the Major War Criminals*), vol. XL, document No. Raeder 2, pp. 593-597; and vol. XLI, documents Nos. Raeder 8, pp. 1-3, and Raeder 127, pp. 84-85.

11. In subsequent discussions, the German Delegation agreed to recommend to their Government that the British representatives might approach the French Government with a statement that Germany is reluctant to lay down Ship F before all other Powers are free to resume capital ship replacement on 1st January, 1937, and that, therefore, Germany might be prepared to postpone the laying down of Ship F from April 1936 (as at present intended) to 1st January, 1937, if France is prepared to postpone the laying down of the FRANCE until some date about the middle of 1936. France would be asked what would be the latest date to which she would postpone the laying down of FRANCE. Should France refuse to delay the laying down of her ship, the German Government must lay down ship F in April, 1936.

12. Should Ship F be postponed as suggested above, to the 1st January 1937, the laying down of Ships G and H would be postponed to the 1st January, 1938, and 1st January, 1939, provided that France postpones the laying down of her second and third ships to the middle of 1937 and 1938 respectively.

Submarines.

13. The German Delegation has undertaken to represent to their Government that some of the submarine tonnage scheduled to be laid down in 1935 should be postponed, at least until 1936.

Programme Generally.

14. It is the unalterable determination of Germany to complete the construction of her entire 35 % quota by the end of the year 1942.

Submarine Warfare.

15. Germany is prepared to adhere to the rules regarding submarine warfare as set out in Part IV of the London Naval Treaty, and to accept them for herself irrespective of whether they are adhered to by all other Powers.

Exchange of Information.

16. The German Delegation agrees that Germany should associate herself with all measures for the exchange of information, such as those set out in Article 10 of the London Naval Treaty, and Paragraph (b) Section 1, Part 3, Chapter II of the Washington Treaty, provided they are similarly and fully applied to all other Powers. Should there be no general international agreement, Germany and the United Kingdom would be prepared to consider the confidential bilateral exchange of information between themselves. Further, the German Delegation would discuss with their Government whether they could undertake to exchange this information on a strictly reciprocal basis with

countries other than the United Kingdom henceforth, pending the conclusion of a general agreement.

Minor Provisions of the Washington Treaty.

17. The German Delegation state that Germany would agree to the inclusion of the provisions of Art. XIV, XVII and XVIII of the Washington Treaty, provided they apply equally to all parties.

Definitions.

18. The German Delegation has not yet been able to examine fully the definitions of categories, standard displacement and age limits given in Annex I to Chapter 2 of Section II of the British Draft Disarmament Convention,⁴ but in principle the German Delegation expects that they will be able to agree, except that they would have strong objection to a 26 year life being applied to the DEUTSCHLAND class of ships. They are anxious to make the life of these ships as short as possible.

19. It is understood that, according to the reply given by Sir Eyres-Monsell on the 18th June, the present German proposals concerning transfer under paragraph 2 (d) of Sir Samuel Hoare's note of the same date were to have been cleared up in the present conversations. Owing to the uncertainty as to the further development of naval limitation it has not been possible for the German Delegation to put forward definite proposals. The German Delegation therefore reserve the right to put these proposals forward at a later date.

20. The German representatives declare that while they are unable to give any final reply at this stage to paragraphs 11, 12, 13, 16 and 18, they are willing to submit the proposals mentioned therein to the German Government for examination and that a reply would be communicated to the British Government, through the German Naval Attaché in London, at the earliest convenient date.

21. The fact that Germany possesses ships built at an earlier date which are not yet over-age and do not possess full value narrows her possibilities of using the tonnages allotted to her for the building of full value ships.

The German representatives consider that this situation should be taken into account. Germany therefore expects that she will get full compensation for any disadvantages which may arise out of this situation.

⁴ i.e., the so-called MacDonald Plan; for the text see League of Nations: *Conference for the Reduction and Limitation of Armaments, Conference Documents*, vol. II, pp. 476-493.

50,000 tons of over-age destroyers. It is not proposed that any of this additional tonnage should be replaced by under-age tonnage. The British representatives do not agree that Germany should have the right to acquire 35% of these additional tonnages in *under-age tonnage*. They would propose that she should have the right to 35% of these additional tonnages in *over-age tonnage*, and since Germany's over-age tonnage will not, by 1942, be sufficient for the purpose in the categories in question, proposals are made below for making compensation for this fact.

Over-age Cruisers.

22. Germany has only one very old over-age cruiser at present (the BERLIN) and none of her post-war built cruisers become over-age under the ordinary rules until 1945. On the other hand, the German representatives have asked that some compensation should be made to them for the ships built under the restrictions of previous treaties which are consequently smaller than [*sic*: than] the qualitative limit now allowed. It is proposed that compensation for this and solution for the over-age cruiser problem should be provided by agreeing that the cruisers built by Germany under previous treaty restrictions might be regarded as over-age and therefore replaceable by new tonnage after, say, 15 years, from the date of completion. Thus, the cruiser EMDEN will become over-age in 1940 and might, if it was desired, be retained as part of Germany's 35% of the 10 over-age British cruisers.

Over-age Destroyers.

23. Similarly, it is proposed that Germany should keep, if she so desired, up to 35% of the British 50,000 tons of over-age destroyers. Germany already has some 14 ships of 9,452 tons over-age in the destroyer category, though some of these ships are very old; she also has 12 destroyers of 800 tons each built under previous Treaty restrictions for which, therefore, she would like some compensation. It is proposed that the age limit of these particular destroyers should be reduced to, say 12 years, so that they might be replaced by new tonnage after that time. Under this rule, these destroyers will become over-age in 1938 and succeeding years.

Capital Ship Adjustment.

24. There are two points for discussion in this connection. Germany's 35% tonnage leaves a deficiency of some 15,000 tons for the building of capital ship H, if she were to build this ship to Treaty limits. If the ship is to be built, upon which the German Delegation is very firm, this tonnage must be provided from some other category, and in the British view the simple transference of 15,000 tons from a

lower category into the capital ship category is not a fair exchange. It would be the British proposal that this tonnage should be found from the Cruiser A category at the expense of the two cruisers A, which Germany will not build if, after 1936, there is general agreement to abandon the building of this type.

The other Capital Ship problem concerns the DEUTSCHLAND class. These ships having been built under past treaty restrictions,⁶ Germany, it is understood, would like to get rid of them sooner than would be effected by the ordinary 26 years life rule of the capital ships. The British representatives agree that this shall be effected, and await exact proposals from the German Government as to the age at which they would like to scrap and replace these ships.

⁶ Article 190 of the Treaty of Versailles stated that: "...

"The warships intended for replacement purposes as above shall not exceed the following displacement:

| | |
|-----------------|-------------|
| "Armoured ships | 10,000 tons |
| "Light cruisers | 6,000 " |
| "Destroyers | 800 " |
| "Torpedo boats | 200 "... |

[EDITORS' NOTE: The letter from Tile Freiherr von Wilmowsky, Chairman of the *Wirtschafts-Verband Mitteldeutschland* and a member of the Krupp Board, to Counsellor of Legation Clodius, which is printed below, comes from a file which contains no previous papers on the question of the staff of the Mercur Bank.

BERLIN, June 23, 1935.

Behrenstrasse 3.

6116/E455406-07

DEAR HERR CLODIUS: As arranged, I have discussed in detail in Vienna with the gentlemen in question the matter of the staff of the Mercur Bank. Herr Pilder will already have explained to you that because of the shortness of time it was not possible to achieve a final settlement during the last meeting of the directors of the Bank; in consequence the personnel question was not touched upon at this meeting. A final solution was, however, worked out in a number of private discussions; it is as follows:

Herr Warnecke, Bregenz, is to join the Board of Directors; such of the confidants of the staff of the Bank who are Party members have expressly welcomed the appointment of this gentleman, who is not yet personally known to me. Herr Seyss-Inquart is to become a member of the administrative committee, and is, indeed, to have a prominent position, as he will probably be given control of the legal office of the Bank, and this by special agreement. This solution would be warmly welcomed by the gentlemen of the National Movement with whom I have on two occasions had very detailed conversations, and who are confidently asserting that once the matter is settled the

previous agitation against the composition of the staff of the Mercur Bank will finally cease.

I hope that under this arrangement tranquillity may now result and that, on the strength of our discussion, I may assume that it will accord with Herr Ritter's wishes and your own. If desired, I shall of course be glad to hold myself at your disposal for a verbal discussion too, and in the meantime remain, with the German greeting,

Yours etc.

T. VON WILMOWSKY

The only subsequent reference to this matter which has been found is a letter from Wilmowsky to Clodius dated September 28, 1935 (6116/E455428) indicating that Seyss-Inquart's position in the Bank had not yet been settled.]

No. 166

6001/E443078-81

Foreign Minister Neurath to Ambassador Hassell

PERSONAL

BERLIN, June 24, 1935.

Sent by Courier on July 3.

DEAR HASSELL: I have read your report No. 1376 [*sic*: I 376] of June 21¹ and would comment on it as follows: When you say in it that Rome is disappointed over the fact that the improvement in the atmosphere which has lately taken place between us and Italy has not led to practical cooperation in the field of foreign affairs, it seems to me that it is typical of the Italians to have forgotten completely the unprecedented attacks and abuse which the Italian press so recently hurled at Germany on the instructions of the highest authorities. Apart from that, however, it would interest me to know what Rome means by practical cooperation with Germany in the field of foreign affairs. You yourself say it is not easy to define precisely what is expected of Germany at this juncture. What your confidant envisages as the object of an *intesa* [agreement] is, after all, mere verbiage; we have never interfered in the Albanian question. Italy's Balkan policy, which the Italians think we should support, is merely an attempt to impose Italian hegemony in the Balkans. After Italy's conduct over the Austrian question we have not the slightest reason for supporting this desire for hegemony. A discussion, let alone any form of agreement, on what, in the event of Italy's leaving the League, might take the latter's place, would quite certainly be used by the Italians to blacken us in London, where our return to the League is regarded as desirable, by representing us as intriguing against the British efforts to strengthen the League. We have maintained complete reserve in the Abyssinian question and have, as you

¹ Document No. 164.

know, not only refuted the, mostly hysterical, Italian accusations, but have also met Italy's wishes in the matter of preventing any support of Abyssinia by the delivery of arms etc.² As regards common principles governing policy towards colonial questions, I know from earlier utterances by the highest Italian authority that the Italians would only be prepared to tolerate our wishes in this respect if Italian colonial wishes had already been met by the grant of a mandate or a colony.

In the Austrian question we have since last year imposed upon ourselves an attitude of complete reserve. The same cannot be said of Italy, who continues to support Prince Starhemberg and his aspirations. It would be a complete mistake to treat the Austrian question in any way as one of territorial revision. The Chancellor has stated often enough that we have no desire to infringe Austrian independence.

The desire suddenly shown by the Italian Government to be on good terms with us once more can, of course, be explained by the difficult position in which they find themselves as a result of the Abyssinian adventure, and in which they will probably become still more deeply involved. We have no occasion to hasten to extricate the Italians from this predicament. Perhaps one day a situation will arise therefrom which will enable us to discuss and settle the Austrian problem with Italy. For the rest it is a matter of course, and also follows from our whole conduct in recent weeks (I need only refer to the prohibition of all press articles injurious to Italy, and to the restraint exercised by our press, acting on instructions, in the Abyssinian question), that we are quite willing to improve German-Italian relations and, if possible, make them cordial once more. The pace at which this can be done, however, entirely depends on the Italians. I am the last man to underestimate the advantages of maintaining good relations with Italy; on the other hand, I have had enough experience of Italian politics not to overrate these advantages.

With best wishes,

Yours,

FRHR. V. NEURATH

² See also document No. 83.

No. 167

2368/494173-74

Memorandum by the Foreign Minister

BERLIN, June 24, 1935.

RM 524.

The British Ambassador called on me today to take his leave before going on holiday. We took this opportunity to discuss the main political questions at present pending. The Ambassador said he was

well satisfied at the outcome of the naval conversations in London.¹ He then enquired whether we had done anything in the matter of the Eastern Pact. I said we had not, and added that we were first awaiting an answer to our enquiry² about the effects of the Franco-Russian Pact upon France's obligations under the Locarno Pact. I stressed the gravity of this matter and said that an unsatisfactory reply would, in any case, force us to raise the Locarno question again, for the purpose of obtaining clarification, during the negotiations about the proposed Air Pact. We could not be expected to look on passively while the Locarno Pact was being perforated by bilateral agreements between a Signatory to the Pact and other States.

The Ambassador further asked whether we had communicated our draft Air Pact³ to Paris, Rome and Brussels. I replied that we had not and remarked that we had drawn up this draft at the British Government's request. We had not entered into any special discussions about the Air Pact with the other Locarno Powers. Our Heads of Missions in the above-mentioned capitals had, however, knowledge of our draft for the Pact. The Ambassador asked whether we would be prepared to communicate the draft to the Governments in Rome, Paris and Brussels, at their request. I said that if we were to receive an express request we would have no objection to communicating the draft to them too.

The Ambassador then asked about the position with regard to the Danubian Pact, to which I replied that the matter had temporarily fallen into abeyance and we had no intention of raising it.

Finally, the Ambassador returned to his hobby-horse, namely our land armaments. He again asked whether we would be prepared to limit our land armaments if the others did likewise. I replied that, in principle, we too were prepared to reduce our army if our neighbours were equally willing to do so. I could, however, only continue to repeat that I could not imagine how a quantitative limitation of land armaments could be put into effect in practice. The only practical solution lay in qualitative limitation, as the Chancellor had indicated in his speech of May 21.⁴

V. N[EURATH]⁵

¹ See document No. 156.

² See document No. 107.

³ Document No. 106, enclosure.

⁴ See Editors' Note, p. 171.

⁵ The document here printed was marked by Neurath for distribution to Hitler, Ribbentrop, Bülow and the Directors of Departments II and III. Another copy (1506/371375-76) is marked: "The Chancellor is informed. L[ammers], June 25,"

No. 168

7898/E573295-06

*The Reich War Minister and Commander in Chief of the
Wehrmacht to the Foreign Minister*

WA No. 3328/35 W Wi (III b)

BERLIN, June 24, 1935.

Received June 26.

II M 1521.

Subject: The Law on War Material, *Reichsgesetzblatt*, 1927, Part I,
No. 36 of August 5, 1927.¹

The promotion and facilitation of German exports of war material and of the trade in arms and ammunition with other countries is highly desirable for economic and defence reasons. The manufacture of arms for export is, in the long run, the most important, indeed the only, way of keeping our armaments firms productive and financially independent.

The efforts directed towards a flourishing export are being obstructed by the Law on War Material.

Even after the measures planned by the Reich Finance Minister² for a less strict application of the regulations, the actual hindrances remain quite unchanged.

Foreign Governments know that they cannot legally make purchases in Germany. The armaments industries abroad work in the knowledge that German firms may not make deliveries, and that possible customers would have to trade illegally through clandestine channels if they wished to buy anything from Germany. The German authorities are forced to obstruct private attempts to export instead of allowing them to be promoted and supported by all departments and Missions at home and abroad.

The moment for rescinding the Law on War Material is particularly favourable now, in so far as the German armaments industry, which has for the major part come into being only recently, possesses equipment altogether superior to that of other countries, and in so far as the demand for war material is still a large one everywhere.

The rescinding of the Law on War Material, therefore, cannot be delayed if important export prospects, which exist precisely at this present time and for the immediate future, are not to be lost.

The Führer and Reich Chancellor has not proved impervious to these representations and has already given his approval in principle. I therefore request you to endeavour to bring about the repeal of the Law on War Material as quickly as possible.

¹ The Law was dated July 27, 1927; for the text see *Reichsgesetzblatt*, 1927, Pt. I, pp. 239-242.

² See document No. 116, and enclosure thereto.

Proposals for such supervision of the export and import of arms as will be necessary in future will follow.³

BLOMBERG⁴

³ Proposals for promoting the export of armaments and for the supervision of trade in war material were sent to the Foreign Ministry by the Reich War Ministry on June 25 (7898/E573302-08). Among other measures the creation of an export consortium within the *Reichsgruppe Industrie* was proposed.

⁴ In his reply of June 27 (7898/E573297-99) Neurath stated that he was unable to agree to the proposed procedure and had frequently had the attention of other departments drawn to the undesirability of repealing the existing law without substituting fresh regulations, not only by reason of the unfavourable impression which such action must cause abroad but because those States engaged in warlike action (Italy and Japan) would assume that the removal of restrictions on export of war material was simply designed to benefit their opponents. Whilst agreeing that the promulgation of a new law should be hastened, he urged that there should be no interval between the repeal of the existing law and promulgation of the new.

At an interdepartmental conference held in the War Ministry on July 11, of which the latter sent a record to the Foreign Ministry on July 16 (5560/E396331-36), it was stated by a War Ministry representative that Hitler had informed Blomberg on July 9 that he considered that the Law on War Material came under Part V of the Treaty of Versailles and had therefore been abolished by his speech of May 21 [see Editors' Note, p. 171], and that he wished no special announcement made. A note, dated Aug. 16 (5560/E396375), from the Foreign Ministry to the War Ministry stated that there were no objections to the draft of the proposed law on the import and export of war materials sent them on Aug 12. See also documents Nos. 279, 395 and 402.

No. 169

8753/E610725

The Chargé d'Affaires in France to the Foreign Ministry

Telegram

No. 681 of June 25

PARIS, June 25, 1935.

Received June 25, 10:00 p.m.

V 9248.

Further to my telegram No. 679.¹

When handing over [the Memorandum],² Laval stated that the reply was only being made now because he had wished to assure himself of the complete agreement of the British and Italian Governments. He had obtained their approval all the more easily since the French Government, in accordance with their obligations, had, during the negotiations on the Franco-Soviet Pact, from the start been concerned to maintain the Locarno Pact in every respect, and had also been in contact with London and Rome at that time. The French reply² contained detailed reasoning so as to give us a clear picture and to resolve all our doubts. Laval stressed that the French Government not only considered the Locarno Pact inviolable, but desired, as previously, to cooperate and achieve a *rapprochement* with Germany.

¹ Not printed (8753/E610718); in this telegram, also dated June 25, Forster reported that Laval had communicated to him the Memorandum printed in document No. 170.

² See document No. 170.

The Minister President went on to state that he would be glad if the German Government for their part were to furnish a speedy reply to the French Note of the 3rd of this month³ on the Eastern Pact, which adhered closely in tone and even textually to the German statement⁴ during the Stresa Conference.

FORSTER

³ See document No. 127.

⁴ See document No. 29.

No. 170

8753/E610719-24

The Chargé d'Affaires in France to the Foreign Ministry

Telegram

No. 680

PARIS, June 25, 1935.

Received June 25—10:50 p.m.

V 9247.

With reference to my telegram No. 679.¹

The following is the text of a Memorandum of the 25th of this month concerning the Franco-Soviet Treaty:²

"In a Memorandum dated May 25, 1935,³ the German Government, thus indicating the interest attached by them to respect for the Rhine Pact of Locarno as regards the relations between the Powers of Western Europe, felt constrained to express to the French Government their desire to be assured that the Franco-Soviet Treaty of May 2 last was consistent with the obligations undertaken in the Locarno Pact.

"The Government of the Republic, who are no less faithfully attached to the said Pact than the Government of the Reich, are entirely in agreement with the latter in recognizing 'that the provisions of the Rhine Pact of Locarno cannot legally be modified or defined by the fact that a treaty has been concluded with a third country by one of the Signatories'; their anxiety in no way to invalidate the application of this Treaty is the guiding principle of their whole policy; they could not consequently have proceeded to sign the Franco-Soviet Treaty without being completely certain that they had not thus undertaken any obligations inconsistent with the engagements entered into at Locarno. If any assurances on this point were necessary, it should be sufficient to recall, in general terms, the fact that, in Paragraph 2 of the Protocol of Signature accompanying this Treaty, the two signatory Governments have declared that it is their purpose not to invalidate in any way the obligations previously contracted by

¹ See document No. 169, footnote 1.

² The text of the Memorandum is in French in the original.

³ Document No. 107, enclosure.

the two countries towards third States in published Treaties, and that consequently they formally laid down that effect could not be given to the provisions of the Treaty in any way which would be inconsistent with treaty obligations already assumed by one of the Contracting Parties.

"Unless doubt is entertained regarding the good faith of the two signatory States, it is impossible to ignore a provision which lays down so clearly the scope of their obligations. The French Government might confine their reply to this general statement. To show, however, their sincere desire to remove all obscurity in connection with the matter, they are fully prepared to enter into the analytical arguments contained in the German Memorandum.

"The German Government cannot have failed to note that the provisions of the Franco-Soviet Treaty regarding the obligation to render mutual assistance are based on the very provisions of Article 2 of the Locarno Treaty. They have merely pointed out that to the cases contemplated in this Article 'further cases, not mentioned in the Rhine Pact of Locarno, have been added, namely those contemplated in Article 17, Paragraphs 1 and 3, of the Covenant of the League of Nations', but, on the other hand, they draw attention to the fact that this latter Article contemplates the application of Article 16 against a State not a Member of the League of Nations; which brings us back to the cases contemplated in Article 2 of the Treaty of Locarno. The addition to which reference is made does not, therefore, lay itself open to any objection in principle on the part of the German Government. It is in connection with the putting into effect of the provisions for assistance in execution of Article 16 [of the Covenant] that the German Government have thought it possible to dispute that the obligations undertaken by France towards the USSR remain within the limits fixed by the Treaty of Locarno; with this in mind they lay stress upon 'additional obligations' said to be laid down in Article 1 of the Protocol of Signature. Actually, however, it is a question in this Article, not of supplementary obligations, but, on the contrary, of clarifying and limiting the obligations laid down in Article 3.

"It is not the case that under the terms of the first part of the Protocol of Signature, France, in the event of a conflict between Germany and the USSR, claims the right to decide, unilaterally and in her own free judgement, who is the aggressor. First and foremost it is her duty to secure recommendations by the Council of the League of Nations, to compliance with which she is committed in advance. Even after having fulfilled this requirement of the Covenant of the League of Nations, if the Council has not made any recommendation, or has not been able to reach a unanimous decision, she must still, under Article 2 of the Protocol, make sure that, apart from this, her

judgement of the circumstances is not such that action taken by her might call down upon her the sanctions prescribed in the Treaty of Locarno.

"As regards the point that the obligation to render assistance might arise in the absence of a recommendation or of a unanimous decision of the Council, attention should be called to the fact that the application of Article 16, in accordance not only with its terms but also with the most authoritative interpretations thereof, does not necessarily require a recommendation of the Council. In laying down the principle that in the absence of a recommendation the obligation to render assistance nevertheless arises, the Signatories of the Franco-Soviet Treaty have thus kept strictly within the framework of Article 16, which prescribes that 'should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League'. It is consequently not possible to detect in Article 1 of the Protocol any contradiction with the terms of Article 2 of the general Treaty of Locarno.

"Moreover, the preoccupations of the German Government seem only to relate to a case in which, Germany having withdrawn from the League of Nations, action taken by France against Germany in execution of Article 16 would be based on Article 17 of the Covenant, which refers back to the aforesaid Article 16. In this case the German Government consider that military action undertaken without a previous decision of the Council regarding the invitation to be addressed to Germany under Article 17 might go beyond the scope of Article 16 and thus constitute a violation of the Treaty of Locarno.

"This interpretation is not justified. In fact, Article 1 of the Protocol of Signature of the Franco-Soviet Treaty refers only to recommendations 'made under Article 16' by the Council of the League of Nations and does not affect in any way the conditions laid down for the issue of an invitation in Article 17.

"The French Government do not doubt that in the light of the foregoing observations the German Government will be satisfied that the provisions of the agreement of May 2 are perfectly consistent with the obligations resulting from the Treaty of Locarno. During the whole period of the Franco-Soviet negotiations, the constant preoccupation of the French Government was to avoid anything which might, even indirectly, invalidate in the slightest degree the Treaty of Locarno or the rights and obligations of the Guarantor Powers.

"The Rhine Pact, as an element of collective security, is so much an essential basis of the general policy of France that no French Government could have risked, by their own action, the introduction of an element of doubt with regard to it. The Franco-Soviet Treaty of May 2 is conceived in the same pacific spirit and on the same lines as

the Franco-Polish and Franco-Czechoslovak Treaties, of which the German Government took official cognizance at Locarno and to which they raised no objection. The new treaty has no other purpose than to extend the network of obligations, designed to ensure, on the basis of the principles laid down in the Covenant of the League of Nations, the development of European security.

"The first proposals for a regional Eastern Pact, which were submitted to the German Government in July 1934,⁴ already show the efforts which the French Government were prepared to make in order to extend to this part of Europe the application of the principles of collective security contained in the Treaty of Locarno. It was contemplated that French participation therein should be strictly confined to the conditions laid down in the Rhine Pact.

"Furthermore, the Signatories of the Treaty of May 2 specifically contemplated an extension of the agreement permitting of the inclusion of the Reich among the countries which would benefit by participation in the agreement. The obligations mutually undertaken by France and the USSR would thus be extended to Germany. Nothing could more clearly show the objective spirit by which the French Government are inspired in their constant desire to foster, in a collective sense, the development of European security in accordance with principles designed to ensure equal advantages and equal rights for all States."

FORSTER

⁴ The reference is presumably to the draft transmitted by Phipps to Neurath on July 12, 1934; see vol. III of this Series, document No. 85 and enclosures thereto. See also vol. II of this Series, documents Nos. 486 and 504, and vol. III, document No. 1.

No. 171

2406/510938-39

Memorandum by the Foreign Minister

BERLIN, June 25, 1935.

RM 531.

The French Ambassador called on me today on his return from leave but was not able to give me any news of importance. On the subject of Laval's intentions he said that Laval was as determined as ever to bring about the Eastern Pact. When I enquired what interest M. Laval had in this Pact, now that he had concluded a Franco-Russian Treaty of Alliance, M. Poncet said he was pursuing it for two reasons, namely, domestic policy on the one hand and, on the other, the desire to bring Germany back to the collective line. When I remarked that it was then more or less a matter of personal interest to M. Laval that we should conclude an Eastern Pact, M. Poncet reluctantly admitted this. I then enquired what M. Laval had to offer

us in exchange, since our concern was not so much to conclude an Eastern Pact as to improve relations with France. M. Poncet replied that that was indeed also M. Laval's desire, but he had considered it necessary to proceed via Moscow. When I objected that this *détour* had not been understood here, M. Poncet explained that Laval had had to take this course in order to take the wind out of the sails of the powerful parliamentary group in Paris which consisted of Communists, Marxists, Freemasons and Jews. A French Premier who negotiated direct with Germany would always be exposed to violent attacks from this company. I replied that in that case I thought the prospects for a German-French *rapprochement* under M. Laval were poor, unless he found the courage to fight an election with the slogan "*rapprochement* with Germany".

In conclusion M. Poncet said that Laval would in any case try to start discussions with Germany as soon as the ill feeling over the Anglo-German naval conversations had died down.

I then asked M. Poncet what was the position with regard to the answer to our objections to the Franco-Russian Treaty;¹ he replied that we would probably receive the French answer² in a few days' time.

v. N[EURATH]³

¹ See document No. 107.

² See document No. 170.

³ Another copy (1514/372331-32) of this document is marked: "The Chancellor is informed. L[ammers], June 26."

No. 172

6695/H103792

Memorandum by the State Secretary

BERLIN, June 25, 1935.

e.o. IV Ru. 2470.

During his visit today the French Ambassador asked me whether I had read the Russo-French Treaty carefully and whether I had noticed that at the end (he apparently meant in Paragraph 3 of the Protocol of Signature) it was laid down that the Treaty would become invalid if an Eastern Pact on the German model came into being.

I told the Ambassador that I had not so interpreted the Treaty and that I supposed him to mean that, if a general Eastern Pact without *assistance mutuelle* came into being, the Russo-French Treaty of Alliance would become merely a supplementary treaty. This the Ambassador denied, asserting that the Russo-French Treaty would cease to exist altogether if a general treaty came into being, even without *assistance mutuelle*.¹

BÜLOW

¹ Marginal note: "St[ate] S[ecretary]. We ought to ask the Russians some time whether they interpret the Treaty in the same way. v. N[eurath], June 25."

No. 173

9586/E675632-34

Counsellor Kotze to Minister Mackensen

BERLIN, June 26, 1935.

DEAR HERR VON MACKENSEN: On the Foreign Minister's instructions I venture to inform you of some reports which have reached us from a reliable source.¹

According to these reports, Gömbös is supposed, during Starhemberg's visit to him over Whitsun recently, to have offered him his services as mediator in bringing about an understanding between Vienna and Berlin, the prospects for which seemed to him to be much more favourable now than they were a year ago. Gömbös had at the same time pointed out the threat to Hungary and Central Europe which the Franco-Russian and Czech-Russian military alliances represented. This threat was all the graver as long as the States of the Rome Protocols and Germany were at odds amongst themselves. He urged Austria to change her policy towards Germany. Italy would, admittedly, never agree to the *Anschluss*, but it was possible that Italy and Germany would seek and find a different solution of the Austrian question. Hungary would welcome any progress in this direction.

In reply, Starhemberg had declared that he would inform the Federal Chancellor; he personally would gladly accept Gömbös' collaboration for a German-Austrian understanding in the fields of foreign and economic policy, provided this guaranteed that Reich German National Socialism would not interfere in Austria's domestic policy. A decision would have to be made between the German Reich, on the one hand, and National Socialism on the other, which was threatening Austria, and, indeed, Christian civilization as a whole. The most recent phases of the Italian and, above all, the Hungarian policy of understanding with Germany at the expense of Christian Austria had therefore caused bitterness in Vienna, especially as the Ballhausplatz wished to avoid a *rapprochement* with the Little Entente so as to prevent French and, above all, Russian influence from gaining ground in Central Europe. In view of their past history there could be only one solution for Austria and Hungary, and that was the restoration of the Habsburg monarchy. The Federal Government must be clear as to whether Budapest was at one with Vienna on this question, as had at one time seemed to be the case, or whether they were seeking other, quite different solutions.

In reply, Gömbös emphasized that he thought that the solution of the problem of the Danubian region could only lie in an understanding

¹ No such reports have been found.

between Germany and Italy and that he too would endeavour to work along these lines.

Yours etc.,

H. KOTZE

No. 174

3598/797248-50

Minutes of a Conference of Ministers

Extract¹

[BERLIN,] June 26, 1935.

Rk. 5931.

1. *Draft of a law to raise levies from industry.*²

Reichsbank President Dr. Schacht expounded the draft.

He pointed out that some departments had expressed objections to the draft without, however, having made counter proposals.³ The Foreign Minister, he said, feared that this law would cause legislation against dumping in other countries. He did not regard this fear as justified, since 80 per cent of our present foreign trade was being effected by means of barter, clearing, and other compensation transactions. Less than 20 per cent was being effected in free commerce. It was not impossible that the USA would introduce counter measures, but even regarding that country he felt no real concern, especially as trade with the USA had shrunk very considerably. It must also be remembered that several countries, such as Poland, Italy and Switzerland, were subsidizing their exports without the USA having done anything against this. He, too, shared the misgivings of the Reich Commissioner for Price Control⁴ that increases in prices were possible. He thought, however, that we must put up with this, since no other method of sustaining our exports had been found. He considered the raising of the levy in the form proposed in the law to be the most appropriate, since it got at the ultimate sources. If we were to assist exports with money from taxes, the danger would exist that the proceeds would partly disappear beforehand, since every firm was in a position to increase its expenses by investments and the like. The Price Commissioner was indispensable; it was undeniable that he had an extremely difficult problem to master. The misgivings of the Reich Finance Minister that exports might be subsidized to a greater degree than was necessary could not be disregarded.

¹ The full record of this conference has been filmed as 3598/797246-51. Those present were: Hitler, Reich Ministers Neurath, Frick, Blomberg, Schwerin von Krosigk, Gürtner, Eltz-Rübenach, Darré, Goebbels, Göring, Rust, Kerl, and Frank, acting Reich Minister Schacht, Prussian Finance Minister Popitz, State Secretaries Krohn, Lammers, Meissner, and Funk, Ministerialrat Killy, Ministerialrat Willuhn.

² See document No. 157, footnote 1.

³ For the Foreign Ministry's objections see document No. 157; no record of any other objections has been found.

⁴ Carl Friedrich Goerdeler, Oberbürgermeister of Leipzig.

Nevertheless, the cooperation of industry in the assessment of the contributions would ensure control to some extent. The further objection that tax receipts would decrease he did not regard as decisive, since this decrease would take place no matter what method of assisting exports was adopted. He could not approve the Reich Finance Minister's proposal that the repurchase of bonds be continued, because the foreign exchange necessary for this was not available.

The *Führer and Chancellor* stated that the course indicated by the President of the Reichsbank was the only correct one. The necessary means must be raised from industry. He wished the law to be worded in such a way that the levy would lose the character of compulsion by the Government.

The *Reich Finance Minister* said that the raising of the money was necessary. A difference of opinion existed only as to the form [this should take]. He pointed out that tax receipts would be unfavourably affected.

The *Foreign Minister* said that he did not view the attitude of foreign countries as optimistically as did the President of the Reichsbank. On the contrary, he feared counter measures.

*State Secretary Dr. Krohn*⁵ expressed a wish that the coercive character of the law should not be lost. In order to maintain wages at their present level, this legally created compulsion to raise the money must be drawn to the attention of the employees. The *Führer and Chancellor* proposed that powers in the matter be granted to the Chambers of Industry and Commerce and not, as envisaged, to the Reich Minister of Economics.

The *Reich Cabinet* approved the draft with the modification proposed by the *Führer and Chancellor*.⁶

For the minutes:

DR. KILLY

⁵ Johannes Krohn, State Secretary in the Reich Ministry of Labour.

⁶ For the text of this law see *Reichsgesetzblatt*, 1935, Pt. I, p. 812.

No. 175

9590/E676064-74

The Chargé d'Affaires in Rumania to the Foreign Ministry

1973—I A 4

BUCHAREST, June 26, 1935.

Received June 28.

II Balk. 1525 R.

POLITICAL REPORT

Subject: Rumania's Eastern policy.

With reference to my report No. 1846 of June 18, 1935.¹

I enclose herewith a memorandum by Herr Lazar² about a con-

¹ Not printed (9588/E675797-802).

² The DNB representative in Bucharest.

versation with diplomats here concerning Titulescu's Eastern policy, and I would venture to add the following comments.

France's *rapprochement* with Soviet Russia has completely altered the basis of Rumania's foreign policy.

The system of the Little Entente, which rested upon France in the West and, through the Rumanian-Polish Alliance, was linked with Poland in the East, formed an inner circle which protected Rumania against the threat from Hungary; through its alliance with France it provided protection against the dangers which might stem from Central Europe (Germany, Italy) and to the East it created a Polish-Rumanian defensive front which was supported by France. The Russian-Bolshevik threat and Hungarian revisionist aims were the two dangers against which Rumania believed she had to safeguard herself.

The fact of Russia's transfer into the camp of the nations who were prepared to accept and maintain a state of peace based on the Paris treaties and of her subsequent alliance with France, placed Rumania in the position of a ward who has so far been supported by a distant guardian but who now suddenly sees Russia, who had hitherto figured as the wicked neighbour, being appointed the ever present agent of the distant guardian.

Just as it would have been the ward's chief concern to approach the new master as ingratiatingly as possible, if only to cause the period of tense coexistence quickly to be forgotten, so Titulescu quite logically began to pay every attention to the new representative of the old guardian in Paris, partly because his strong neighbour's friendship seemed more important to him than the distant uncle's favour, and partly to have his newly won friend ready as a substitute of sorts in case French interest in Rumania should wane.

Titulescu therefore eagerly hastened to declare that he had himself acted as mediator between Moscow and Paris and had even played a decisive part in the drafting of the Pact. Since then he has, for example, been in the habit of saying that Rumania's future depended on her relations with Russia. And he has redoubled his efforts since Beneš, still more Russophile than he, has even achieved a Pact of Mutual Assistance³ with Moscow.

But he was also being driven in this direction by force of circumstances. For France's interest in her badly armed and penurious Balkan cousin must, of necessity, one day wane, now that the latter had ceased to be a bastion against a hostile Russia and now that France had, as it were, no longer strategic, but only tactical interests to defend in Rumania. Russia, on the other hand, seemed to be proving the stronger partner in the new Dual Alliance, since she was

³ Signed in Prague on May 16, 1935; for the text see League of Nations: *Treaty Series*, vol. CLIV, pp. 347-361.

claiming the right to choose between carrying on with Paris or swinging over to Berlin again; in the latter case Rumania might easily fall between two stools. Thus Titulescu, when, every time we meet, he raises the question of the German-Russian *rapprochement*, is in the main indulging in anxious enquiry: he would like to find out how great this new threat to his system may already have grown.

That Russia, regardless of all political vicissitudes, ultimately constitutes, and always will constitute, the major threat to Rumania by reason of her military strength and her proximity, is probably sufficient reason for Titulescu to keep her in good humour by unceasing attentions; on the other hand it will cause him never to lose sight of certain reinsurances in case the Russian bear should ever change his peaceable attitude. However, when Titulescu pictures to foreign diplomats the danger of a Russian invasion, this is at present probably no more than a dialectical justification of his policy; for in these conversations he is careful not to draw the logical conclusion of these fears, which would be to seek closer ties with Poland and Germany.

The ideal policy, seen purely from the Rumanian point of view, would be: to live on friendly terms with Russia and at the same time to safeguard herself against Russia's whims by fostering her alliance with Poland.⁴ This is indeed most probably Titulescu's intention. Moreover, it is just as much in Russia's interests that this state of uncertainty should cease and Rumania be fixed in her system as a dependent satellite as soon as possible and so firmly that, even independently of France, she would be forced to follow Russia's lead. It is to this end that Russia and the two States, Turkey and Czechoslovakia, whom she has already made dependent upon herself, are exercising joint pressure for a speedy cementing of Rumania's friendship with the Soviet State, while France is more inclined to wait and see (at any rate, she has harmed rather than furthered such pact negotiations by the premature and alarmist report put out by the Havas agency). However much France must endeavour to eliminate

⁴ As first concluded in 1921, this Treaty between Poland and Rumania had been in the form of a defensive alliance with obligations of mutual assistance in the event of unprovoked attack on the existing Eastern frontiers of either country (see *B.F.S.P.*, vol. 114, pp. 916-917). On renewal in 1926, the Treaty was remodelled as one of mutual guarantee within the framework of the Covenant of the League of Nations, the obligations of mutual assistance applying against any unprovoked aggression (see *B.F.S.P.*, vol. 125, pp. 981-988). The Treaty was renewed in substantially the same form in 1931, with provision for automatic extension at five-yearly intervals unless denounced by either party (see *B.F.S.P.*, vol. 134, pp. 1050-1051). The 1921 Treaty had provided for a Military Convention on methods of rendering assistance and the later Treaties for *arrangements techniques*; no such Conventions were, however, published. An account of successive Polono-Rumanian secret military conventions or *arrangements techniques*, concluded in 1921, 1922, 1926, and 1931, is given in *Polskie Siły Zbrojne w Drugiej Wojnie Światowej* (*Polish Armed Forces in the Second World War*) published by the General Sikorski Historical Institute in London, 1951, vol. 1, Pt. 1, pp. 106-107; it is there stated that these Conventions provided for mutual aid in case of aggression "by Eastern neighbours". See also Gamelin: *Servir* (Paris, 1946), vol. II, annex II.

all *German* influence in Rumania, she has no need to hasten to drive Rumania finally into Russia's arms and thus prematurely dissolve the two States' alliances with Poland.

Little though one sees here of Rumanian-Polish relations being fostered, the alliance between the two States should not be thought to be dead. And when Titulescu says that Rumania's fate depends on Russia while in the same breath he says it depends upon Poland, this is based on an entirely sound idea. For Rumania has, in fact, not yet made her choice.

In this dilemma the difference between Titulescu and the King could, in certain circumstances, be the cover for a pre-arranged plan, under which the former pays Russia attentions and the latter applies the brakes and takes care of their Polish reinsurance.

This game also enables the price of Rumania's friendship to be forced up, especially now that Czechoslovakia, who has burnt the bridges linking her with the other camp, must, purely in her own interests, endeavour to consolidate her position, and urgently needs Rumania's help in this.

Should the moment come when Rumania is forced to abandon this see-saw game (either because Titulescu obtains a price for which he finally sells Rumania, or because Russia, tired of the game, presses for a decision), Titulescu would, if the decision went *against* Russia, very probably become impossible as Foreign Minister, while in the other case his reconciliation with the King would be rendered easier by the pressure of events. Court circles expect the decision to be taken round about October. The present interim state of affairs is beginning to dislocate the Little Entente. Directed against Hungary and her possible allies, it had already lost considerably in importance once the likelihood of Italy and Russia becoming friends of Hungary began to recede. The difference in the attitude of the three partners towards Russia has completely crippled the alliance. Of great significance, therefore, was the most recent Yugoslav Cabinet crisis,⁵ since it resulted in the postponement of precisely that meeting of the Council of the Little Entente at which the Russian problem was to have been solved by a last effort on the part of Beneš and Titulescu. Until this question is solved the Little Entente will indeed seem a structure which Titulescu understandably sometimes rejects outright, and one which in any case plays no decisive part here at present. Czechoslovakia has become the urgent admonisher, Yugoslavia the marble statue at the Russian feast. Whereas it has so far always been denied that the Little Entente Pact imposed upon its signatories any obligation to render assistance other than against Hungary, Titulescu

⁵ Stoyadinović had formed a new Government on June 23 after the resignation of Jevtić on June 20. Reports on the crisis are filmed on Serial 9379. See also document No. 191.

now likes to pretend that even a conflict between Czechoslovakia and Germany would necessitate Rumania's entry into the war. It may be that in so doing he is anticipating agreements which are only in the planning stage. On the other hand, it might simply be that he is bluffing.

At bottom, Titulescu is still endeavouring not to make an enemy of Germany unnecessarily, if only because he would like to keep the Polish passage clear. Wise enough to take the Reich's serious desire for peace seriously, he is secretly hoping that, through some kind of *rapprochement* with Russia, Italy or perhaps even France, Germany will undertake obligations which will debar her from giving active support to forcible revision such as Hungary desires. And ultimately it is this which forms the basis of political relations between Germany and Rumania. How often of late have I not heard the tale of how Rumania entered the war: against Hungary with hatred, against Austria with indifference, and against Germany with regret.

V. POCHHAMMER

[Enclosure]

TITULESCU ON HIS EASTERN POLICY. FROM A CONVERSATION
WITH TWO MINISTERS.

BUCHAREST, June 24, 1935.

I recently had lunch with the Hungarian and Estonian Ministers in Bucharest. The conversation on this occasion was the more interesting as the two Ministers had shortly before spoken at some length to Foreign Minister Titulescu. By means of the questions I put to the two Ministers I was able to persuade them to give me the gist of their conversations, which afforded an interesting comparison between the statements which the Foreign Minister had made to each of the Ministers. It clearly emerges from what both Ministers said that Titulescu's ideas centre almost obsessively on improving relations with Soviet Russia. Titulescu's statements caused the Estonian Minister to report to his Government that the Rumanian Foreign Minister was making the whole future of his country dependent upon future relations with Soviet Russia, whereas the Hungarian Minister felt compelled to put this passage in his report: "Even today Rumania is no longer to be regarded as the agent of France but as the agent of Soviet Russia in Europe." In his conversations with the two Ministers, whom he received on different days, Titulescu presented the problem from two aspects, that of Soviet Russia and that of Hungary, thus confirming that the classic conception about Rumania's frontiers being endangered by these two countries has by no means altered. Using the first person singular, for which he is only too well known, the Rumanian Foreign Minister said: "I must get on well with Soviet

Russia, I must improve my relations with Soviet Russia and thus try to safeguard myself, because I am convinced that in the event of any warlike conflicts Soviet Russia would march into Rumania; nor would she be satisfied with merely occupying Bessarabia but would march on into Moldavia. But Rumania without Bessarabia and Moldavia would automatically lose in importance and interest even to her closest allies, and therefore undoubtedly to the States of the Little Entente. I cannot, therefore, but fear", said Titulescu to the Estonian Minister, "that, given a Rumania who had definitely lost in importance, Czechoslovakia and Yugoslavia might feel compelled to come to terms with Hungary even at 'my' expense." On the same question he told the Hungarian Minister in less specific terms: "If only because of you, I must come to terms with Soviet Russia, for you are dangerous." Titulescu's statements regarding his attitude to Germany were somewhat contradictory. Although he did repeat to the two Ministers the stereotyped phrase which he had also on occasion used to me: "I have no frontiers with Germany. I do not want Germany as my enemy", he nevertheless told the Estonian Minister with great candour and self-satisfaction that not only was the Franco-Soviet Russian agreement the result of his mediation, but that he was also responsible for the actual wording of the text, whereas he told the Hungarian Minister at one point in the conversation that he would never have any part in an action directed against Germany, while at another point he said the Franco-Soviet Russian agreement, under a League of Nations veneer, was clearly directed against Germany. He also told both Ministers what he had already told me, namely that he did not believe Germany had any aggressive designs and that he was convinced that Germany and Soviet Russia too would come to terms. He also told the Estonian Minister that he was informed that feeling among the Reichswehr and the German General Staff was strongly in favour of Germany's resuming a policy oriented towards Russia, and that he knew that the German Military Attachés in Warsaw and Bucharest(!) had discussed this point with their Soviet Russian colleagues. I took this opportunity of informing the two Ministers that, from what I knew, Titulescu's statements by no means applied to Bucharest and could equally hardly be true of Warsaw either. How, then, could this belief be reconciled with his decisive participation in the creation of the Franco-Soviet Russian Pact, the Estonian Minister asked him. "Perfectly", replied the Rumanian Foreign Minister, who is never at a loss. It was precisely this Pact which was forcing Germany to take practical steps towards realizing the idea of agreement with Soviet Russia, which the Pact would undoubtedly further. Nevertheless, Soviet Russia was in far the strongest position, for while, at the time of the conclusion of the Pact with Soviet Russia, France had only this one alternative left, the Moscow

Government were still free to choose between a German or a French policy. (Here Titulescu seemed to be leaving Germany's own views out of account.) In his conversation with the Hungarian Minister, too, Titulescu displayed the talents of a conversational acrobat when he said that he would never pursue a policy directed against a particular State and M. de Bárdossy asked why, in that case, the Little Entente still existed. "I did not create it", he said, "I only inherited it", and indicated, as he so often does and so much likes to do, that he had already long ago outgrown the policies of the Little Entente and that, as a politician of major European stature, he now tended to regard it as being of secondary importance only. Upon being questioned by both Ministers about the reports concerning the conclusion of an assistance pact with Soviet Russia, he categorically denied that he had any such intentions and also told the Hungarian Minister that he would only assume assistance obligations *vis-à-vis* Soviet Russia within the framework of international agreements. After having told both Ministers at the beginning of the conversations that his main worry was how to improve relations with Soviet Russia, he emphatically informed both of them at the end, with equal conviction, that relations with Poland were the most important point in Rumania's Eastern policy. Unfortunately, neither of the two Ministers asked him how these two pronouncements could be reconciled. Nevertheless, this statement did not prevent Titulescu from sharply criticizing Poland's foreign policy. "M. Beck may think I am a fool", he said, "but he failed to assume in time the rôle expressly assigned to him by history, namely that of mediator between France and Soviet Russia."

Finally, the Estonian Minister's remarks about a conversation he had with the Czechoslovak Minister in Bucharest, whom he met in Titulescu's anteroom and whom he questioned while his conversation with the latter was still fresh in his mind, may be of interest. "We must link our prosperity and our future very closely with Soviet Russia", said Minister Seba, bringing out the old pan-Slav doctrines. "Only Russia and only the Slav community [*Slawentum*] can guarantee our existence. Without Russia we are bound sooner or later to fall victims to the pressure of the German peoples." Titulescu then fetched the Czechoslovak Minister into his study. "I see you have come to bother me again", he said jokingly, putting an arm round his shoulders and drawing him along with him.

No. 176

7790/E560227-29

*The Naval High Command to the Naval Attaché in Great Britain*BERLIN, June 26, 1935.¹

SK 178 geh.

I. The telephone conversation on the afternoon of June 25, 1935, is confirmed by the preceding [see enclosure].

II. The reply given by telephone on the morning of June 26 to the British Admiralty's point of view transmitted by telephone on the evening of June 25² is hereby confirmed as under:

1) *Re Paragraph 11:*³

The personal and irrevocable decision made yesterday by the Reich Chancellor not to lay down the first capital ship before July 1, 1936, should be taken to mean that the ship will be laid down on that date, regardless of whether the French lay down their first 35,000-ton ship in November 1935 or during the first half of 1936.

There is, therefore, a direct relationship between our intentions and those of the French. But in no circumstances can there be any question of laying down the ship later than July 1, 1936. It must be borne in mind that capital ship F is the first German ship equal to ships of the *Dunkerque* class and the first German ship armed with heavy guns of more than 28 cm. "F" therefore will be the very first German ship whose gun calibre will not be inferior to that of the older French capital ships and the *Dunkerque*.

2) *Re Paragraph 12:* Nothing to add.

3) Written confirmation follows, together with decisions on Paragraphs 16 and 18.

III. *Re Paragraph 16 of the record of June 23, 1935, 1:30 a.m.:*

The German Government confirm that they are prepared to accede to all the agreements concerning the exchange of information on the building of new ships, such as are set out in Article 10 of the London Treaty and Paragraph 5, Section 1, Part 3, Chapter II, of the Wash-

¹ Marginal note in Stange's handwriting: "According to a telephone message from Capt. Wassner he received this communication early on June 28." In despatch Mar. No. 482 of June 28 (7790/E560236) Wassner reported that he had communicated the information contained in the document here printed to the Admiralty and the Foreign Office and that he had been asked whether under Paragraph V the release of information on calibres and particularly of capital ship armaments was envisaged. The reply sent on July 22 (7790/E560237) reads: "The High Command agrees that the calibre of capital ship F may be mentioned. The number and distribution of the guns must not however be cited. This agreement is subject to the proviso that, in accordance with SK 178/35 geh. of June 26, 1935 [the document here printed], the French first give an assurance as to reciprocity for [Paragraph] V. The calibre of capital ships D and E, of the 10,000-ton cruisers and of the destroyers has already been mentioned in the release on our building programme."

² See document No. 177, enclosure.

³ The references throughout are to the "Summary of Discussions" of June 23, for the text of which see document No. 165.

ington Treaty, provided that they are similarly and fully applied to all Powers. Should there be no general agreement on the subject, Germany would be prepared to consider the bilateral exchange of information between herself and the United Kingdom.

The German Government are further prepared to enter into discussions with other Powers as to whether it would be possible henceforth for a direct exchange of such information to take place with these Powers on a strictly reciprocal basis without, however, thereby anticipating any general agreements which may be reached later.

IV. *Re Paragraph 18*: The German Government are in agreement with the definitions of categories, standard displacement and age limits given in Annex 1 to Chapter II of the British Convention of March 17, 1933,⁴ provided they apply to *all*, with one exception: with regard to the age of the three *Deutschland* class of ships the German Government demand a life of less than twenty years.

V. *Re Appendix (1) to the Protocol*:

Subject: The observance of secrecy *vis-à-vis* France.

On condition that before the German views are communicated to other Powers, these Powers undertake to make their views known to Germany in an appropriate manner through the British representatives, and on the further condition that Britain guarantees Germany that this procedure will be observed, the German Government agree that the contents of the final protocol of June 23, 1935, may be made use of orally with other Powers in accordance with its contents at further naval conversations, in the form laid down in the subsequent additions of June 25 and 26 (relating to Paragraphs 11, 12, 13, 15, 16, 18).

ST[ANGE]

[Enclosure]

[Telephone message sent to Captain Wassner at 5:30 p.m. on June 25.]

SECRET

[Re] Summary of Discussions of June 23, 1935.

1. *Re Paragraph 15*:

The German Government accept without reservation the provisions of Part IV of the London Treaty. This information is released for use in the House of Commons.

2. *Re Paragraph 11*:

In order to meet British wishes, the German Government are prepared to postpone the laying down of capital ship F until July 1, 1936, at the latest.

3. *Re Paragraph 12*:

No decision can yet be taken with regard to capital ships G and H as this will depend upon future developments in the situation as a whole.

⁴ i.e., the so-called MacDonald plan.

4. *Re Paragraph 13:*

The German Government are prepared to abstain from carrying out in full their decisions with regard to the laying down of submarines in 1935. They will do so by refraining from transferring submarines from the 1936 programme to the 1935 programme, in accordance with the footnote to Paragraph 4 of the "Summary of Naval Building Programme for 1936"⁵ and thus reducing the number of submarines to be laid down in 1935.

⁵ This was the first of the three documents submitted by the German Delegation at the meeting on the morning of June 19; see Editors' Note, p. 250, item II (vi) (1). Against Paragraph 4, listing 6,500-ton and 4,600-ton submarines, is a note stating that in certain circumstances construction would be begun in 1935.

No. 177

7790/E560247-49

The Naval Attaché in Great Britain to the Commander in Chief of the Navy and Ambassador Ribbentrop

SECRET

Mar. No. 474

LONDON, June 26, 1935.

SK 192 geh.

Subject: German-British naval discussions.

In accordance with instructions, at 6 p.m. I immediately transmitted to the Admiralty, with a copy for the Foreign Office (Mr. Craigie), the replies of the German Government to Paragraphs 15, 11, 12, 13 of the "Summary",¹ which had been communicated to me by telephone at 5:30 p.m. on June 25.²

The substance of the reply which I received from the Admiralty I sent in the form of a telephone message (copy of the text enclosed herewith) to Lieutenant Commander Kiderlen at 7:10 p.m.

In this connection I would point out that the text of this telephone message is only a summary of their views given me *urgently* and very fully by the other side, who were much under the influence of Britain's political position in relation to France.

I took the reply to this telephone message, which was given me at 10:15 a.m. on June 26,³ to the Admiralty at 11 a.m. where Admiral Little, Captain Danckwerts and Mr. Craigie were present. After I had communicated the reply, both Mr. Craigie and Admiral Little expressed their extreme regret (very earnestly regret)⁴ that this reply precluded the possibility of making use of the politico-tactical position in relation to the French (which was extremely favourable both for us and for the British) and of the powerful psychological effect

¹ See document No. 165.

² See document No. 176, enclosure.

³ See document No. 176.

⁴ In English in the original.

which such a declaration would have, in order to place the blame for rearmament on their [the French] shoulders, particularly since they [the British] knew for certain that the French would in no circumstances postpone laying down the *France*.⁵

Mr. Craigie also tried to induce me to report back his statements and, if need be, to point out again in a private letter the extraordinarily favourable political situation for us and the lasting impression which would be made by a corresponding declaration, to be made perhaps in a letter only.

I had to refer him to the text of the telephone message: "The personal and irrevocable decision made by the German Reich Chancellor."⁶

I may venture to remark that the difficulties, for all they may scarcely be outwardly apparent, that the British Government are encountering with France by reason of the German-British Naval Agreement, have, according to all the information reaching me, already become extraordinarily acute, whilst these difficulties are being still further increased by the opposition to this Agreement stemming from the extreme Right and Left at home.

Independently of the observations made by myself and others, both Mr. Craigie and Admiral Little laid particular stress on these difficulties, which they thought should occasion further joint (German-British) action.

The reception of the German submarine declaration has given the greatest satisfaction⁷ not only in Parliament and in the press, but also in all sections of the population from the highest to the lowest: and this has encouraged the Government, despite the existing difficulties, to continue in their policy of [word illegible ? promoting] the German-British Naval Agreement.

WASSNER

[Enclosure]

Telephone message to Captain [*sic*] Kiderlen, Berlin (Lützow 1112), at 7:10 p.m., June 25, 1935.

1) The German Government's reply of June 25 at 5:20 p.m.² under Mar. No. 453 was communicated to Admiral Little and Captain Danckwerts at 6 p.m. and the latter simultaneously given a copy for Mr. Craigie.

2) Re Paragraph 11. In spite of reply No. 2⁸ already furnished, the Admiralty once again requested an answer to the question as to whether the postponement of F until January 1, 1937, cannot even

⁵ Marginal note in Lt. Cdr. Stange's handwriting: "That is my view too. Otherwise the whole Government would certainly be chased out."

⁶ Marginal note against this paragraph "!"

⁷ Marginal note in Capt. Densch's handwriting: "There, now!"

⁸ Presumably a reference to the reply cited in footnote 2 above.

now be regarded as possible in accordance with Paragraph 11, so as to ask France to agree to postponement. Making [it] dependent on the French was omitted from the reply given, which was much regretted, as it was particularly important.

The Admiralty once again very urgently recommend that this be agreed because they regard our tactical position where Paragraph 11 is concerned as very favourable at present (the question of responsibility for rearmament), and also where Paragraph 12 is concerned, as they are sure that France will not postpone the date (see also report in today's *Daily Telegraph*). The Admiralty have enquired through the Attaché in Paris as to when the building of the *France* is to begin.

A reply [is requested] by ten o'clock tomorrow morning if possible.

3) There is to be a debate in Parliament at 3 p.m. tomorrow afternoon; Lord Lloyd attacking, Lord Londonderry replying.

4) The Parliamentary question about submarines was put at 4:15 p.m. today⁹ and is said to have gone well. The German reply with regard to Paragraph 15 did not arrive here until 5:20 p.m.

⁹ When asked in the House of Commons whether, during the naval discussions, any information was given about submarines already built or under construction in Germany, in addition to the 12 announced in April, the First Lord of the Admiralty replied that, as the conversations were confidential, he could not add anything to the statement he made in reply to a question on June 21; see *Parl. Deb., H. of C.*, vol. 303, cols. 1075 and 705-708 respectively.

No. 178

9722/E683596-98

The Foreign Minister to the Minister in Hungary

BERLIN, June 27, 1935.

VI A 3160.

I venture to send you herewith the enclosed copy of a report from the Consulate at Geneva¹ on a conversation requested by the Hungarian State Secretary, de Pataky, on the question of the German minority in Hungary.

A reply to Hungarian Minister President Gömbös' letter to the Führer and Chancellor² is not to be expected at present.³ On the other hand, we cannot ignore the argument, which our Legation has repeatedly put forward, that it is advisable in the interests of the German national group in Hungary not to allow the opportunity still obtaining for an exchange of views on this question with the Hungarian Government to pass unused. As matters stand, the suggestion made by M. de Pataky to Herr Krauel might well furnish a suitable

¹ Not printed; see document No. 139, footnote 6.

² See document No. 38, footnote 1.

³ Marginal note in Mackensen's handwriting against this sentence, "[?] No. But on the minority question in general and on those German and Hungarian minorities living together in a third country."

occasion for taking the matter up through us, provided the [Hungarian] State Secretary's action meets with the approval of his Government.

You should, therefore, raise the matter of the conversation between Pataky and the German Consul at Geneva with the Hungarian Government in what manner you think fit, and, at the same time, sound them as to whether Pataky's suggestion for an exchange of views between experts on either side has the Hungarian Government's approval. Should this be the case, you should inform them that we, for our part, would welcome such a discussion and would be prepared to send our expert, Senior Counsellor Dr. Roediger, to Budapest at such time as may be convenient to the Hungarians.

I would add, for your own information, that it would seem expedient to us to allow the initial consultations to take place at Budapest. There it will be possible for the German expert to learn, and provisionally discuss, the Hungarian wishes in a less binding manner, and, moreover, the German authorities concerned will have more time and quiet in which to prepare for the difficult negotiations than if the Hungarians were to communicate their programme to us in Berlin, which is the headquarters of the Government Departments, the Party organization and of the German communities' associations. Nevertheless, we are still adhering to the original idea of holding the actual discussions on the minorities question in Berlin after we have made a preparatory study of the Hungarian wishes.

I look forward to your report on the results of your *démarche*.

NEURATH

No. 179

3015/592767-68

Memorandum by the Foreign Minister

BERLIN, June 27, 1935.

RM 541.

The Swiss Minister called on me yesterday morning in order to make renewed representations, on the instructions of his Government, regarding the proposed ban on the *Basler Nachrichten*.¹ M. Dinichert said it would be a matter of deep regret to his Government if relations between Germany and Switzerland, which had improved after the excitement over the Jacob case² had died down, should again be disturbed by the banning of this reputable newspaper. The Swiss Government wished to make it clear beyond doubt that, should

¹ In a memorandum for the Foreign Minister, dated June 20 (8541/E597826-28), Senior Counsellor Katzenberger stated that the ban on the *Basler Nachrichten* had been proposed by the Ministry for Public Enlightenment and Propaganda on the grounds that this paper had been publishing anti-German articles.

² See document No. 125, footnote 3.

the ban be imposed, Switzerland would be compelled to take counter measures. She would in any case start by banning the organ of the Reich Germans in Switzerland and might extend the ban to other German newspapers. I told M. Dinichert that he knew full well that we had for months been trying to persuade the *Basler Nachrichten* to change the tone of its reports on Germany and on events in Germany. M. Oeri had told me only the day before that he was not in a position to change the attitude adopted by his paper or to refrain from what he considered to be justified criticism of conditions in Germany.³ In these circumstances I no longer saw any possibility of preventing the *Basler Nachrichten* from being banned. As Herr Goebbels had refused to receive M. Oeri, the Minister requested me to try once again to hold up the ban on the *Basler Nachrichten* by pointing out the danger that German-Swiss relations would deteriorate.

I then submitted the matter to the Führer, who, it transpired, had been informed in detail of the outcome of the previous discussion. The Führer declared that, after the many and vain efforts to secure a change in the reporting and news service of the *Basler Nachrichten*, it was no longer possible to allow the entry of this newspaper, of which 80,000-100,000 copies were being sent to Germany; the ban would have to be imposed.

Please inform the Swiss Minister in this sense.⁴

V. N[EURATH]

³ In a memorandum of June 24 (3015/592778) Neurath recorded that he had that day had a conversation in this sense with M. Oeri, Editor of the *Basler Nachrichten*, and had referred him to Reich Minister Goebbels. No record of a conversation between Neurath and Oeri on June 25 has been found.

⁴ In a memorandum of June 28 (8541/E597815-16) Renthe-Fink recorded that he had that day spoken to the Swiss Minister in accordance with Neurath's instructions. In a letter of July 3 (8541/E597821) Dinichert informed Renthe-Fink that, as a counter measure, the Swiss Federal Government had prohibited publication of *Der Reichs-deutsche* [the organ of the Reich Germans in Switzerland] and had banned *Der Stürmer* and the Freiburg-im-Breisgau paper *Der Alemanne*.

No. 180

6695/H103793-94

Memorandum by an Official of Department IV

BERLIN, June 27, 1935.

zu IV Ru. 2470.¹

I had an opportunity today of seeing Hirschfeld, the First Secretary at the Soviet Embassy, on his return from Moscow.

I brought the conversation round to the Eastern Pact and mentioned that it had recently been suggested in French quarters that the Franco-Russian Treaty of Mutual Assistance would, under the Protocol of Signature, become invalid if an Eastern Pact on the

¹ Document No. 172.

German model came into being. I asked M. Hirschfeld whether he interpreted the relevant passage in the Protocol of Signature in the same sense.

M. Hirschfeld said with some surprise that he had not heard this before, and enquired whether it had appeared in a newspaper or whether it was an official French statement.

When I made an evasive reply he added that, on the contrary, it was desired that Germany and Poland should join the Franco-Russian Treaty of Mutual Assistance. The Treaty of Mutual Assistance, was, after all, intended to form part of a general security system and, as such, to be incorporated in future treaties.

I then dropped the subject.

Respectfully submitted herewith to State Secretary Dr. v. Bülow.²

VON TIPPELSKIRCH

² This document is marked: "Has been submitted to the Foreign Minister."

No. 181

7468/H183138-43

Memorandum by an Official of Department II

BERLIN, June 27, 1935.

e.o. II R 1570.

For the Foreign Minister through the State Secretary and Ministerialdirektor Köpke.

I have the honour to enclose the text of the "Summary of Discussions"¹ together with a German translation,² which gives the result of the naval discussions in London about the putting into effect of the Naval Agreement of June 18. A short introductory note is also annexed.³ The "Summary of Discussions" has been initialled by both sides, but not signed, and it should be treated as confidential unless any agreement to the contrary is reached, as for example with regard to the acceptance of Part IV of the London Naval Convention about the rules of submarine warfare.

What is new and politically interesting is that the British have raised no objection to our replying to the French decision to build the 35,000-ton ship *France* (in reply to the two Italian 35,000-ton ships) with a German ship of the same size, or to our replying in the same way, if the case arises, to two further French constructions of the same size which are in prospect. According to our building programme⁴

¹ In English in the original. The "Summary" is printed as document No. 165.

² Not printed (7468/H183155-62). A second German translation bearing the reservations communicated to the British, see documents Nos. 176 and 182, footnote 3, has been filmed as 7790/E560209-21.

³ See enclosure.

⁴ See document No. 165, appendix 1.

the construction of these three German capital ships (F, G and H) is to be preceded by two capital ships of 26,000 tons each (D and E) which have already been laid down and to the building of which the British have not objected. In the case of the three 35,000-ton ships (F, G and H) the British have merely expressed the wish that we should lay each of them down six months later than the French do their corresponding ships.⁵ Accordingly the laying down of the 35,000-ton ship F would be postponed from April 1936 to the beginning of 1937, provided the French are prepared to postpone the laying down of their first 35,000-ton ship to the middle of 1936. The reason for this proposal is that the British want to try to put through a general reduction of the maximum tonnage for "capital ships"⁶ which might well involve the question of a generally acceptable upper limit of 30,000 tons at most.

On this point the German Delegation have as yet reserved final consent. As I learn, the Chief of the Naval Command [*sic*] has decided that the laying down of the 35,000-ton ship F is only to be postponed from April 1, 1936, to July 1, 1936;⁷ the Admiralty in London have already been informed of this.

Apart from this point, the Delegation had also left open the final decision with regard to the British desire to postpone until 1936 the laying down of some of the 30 submarines planned for 1935, as well as in respect of the exchange of information and the definitions of categories of ships. On these points the Chief of the Naval Command has in the meantime accepted the British wishes.

There still remains open the question of the over-age ships, dealt with in Appendix 2.⁸ When calculating German naval strength to the proportion of 35 per cent of British strength, the British do not want us to include those British ships which are already over the Treaty age limit but which Britain will still keep in service for certain purposes. The British have linked this question with that of our own desire to obtain compensation for the fact that some of our ships which are not over-age were built on the basis of the restrictive clauses of the Versailles Treaty and therefore cannot be regarded as possessing full value in relation to the ships of other navies. The British are seeking a compromise in the sense that we should be allowed a shorter age limit for these ships than is otherwise provided for the class of ship in question. The question is, however, not yet ripe for decision.

FROHWEIN

⁵ Marginal note in Neurath's handwriting: "Has been approved by the R[eich] C[hancellor]."

⁶ In English in the original.

⁷ Question mark in Neurath's handwriting in the margin against this sentence.

⁸ i.e., Appendix 2 to document No. 165.

[Enclosure]

After the conclusion on June 18, 1935, of the agreement about the future ratio of British and German naval strengths, a number of more technical discussions took place between the German and British Delegations. The attached "Summary" is to be regarded as the outcome of these discussions. The document which was initialled by Admiral Schuster and Admiral Sir Charles Little should not, as was emphasized by both sides, be regarded as an additional agreement. In Paragraph 1, therefore, it is merely stated that on the relevant questions there are no divergences between the two Delegations.

On the German side, the British wishes in the qualitative sphere for [discussion at] a future international naval conference have in principle been adopted, subject to the reservation of their being generally accepted (Paragraphs 2, 3, 4, 5, 6, 7, 8) and with the exception that, irrespective of any possible new qualitative limitation of capital ships which may be laid down in future, Germany will definitely reply to any French buildings of 35,000 tons with similar buildings; and that, in the case of any future ban on the construction of Washington cruisers (10,000 tons and 20.3 cm. gun calibre), Germany must demand compensation.

With regard to quantitative limitation, the German Delegation agreed with the British proposal for an unrestricted exchange of information about building programmes, but stressed in this connection that Germany's expansion programme must naturally be greater than a normal replacement programme. The German building programme from 1934 to 1936 inclusive has been communicated in detail. Further, information was given of the proposed laying down of battleships G and H in the years 1937 and 1938, and of Germany's unalterable determination to carry out her whole naval expansion programme by the end of 1942 (Paragraph 14).

The British side expressed the desire that the building of the first battleship (F) be postponed until January 1, 1937, in the event of France putting off beginning the building of her first 35,000-ton ship until about the middle of 1936. Further, it was suggested that part of the submarine tonnage scheduled to be laid down in 1935 should be postponed at least until 1936 (Paragraphs 11, 12 and 13). The German side have not yet defined their attitude to this suggestion, but the prospect of an early reply from the German Government was held out.

The Summary deals also with submarine warfare, the exchange of information, certain minor provisions of the Washington Treaty, and also the definitions of categories, standard tonnage and age limits of ships.

Germany further put forward a claim for compensation in respect

of the ships which were built in accordance with the provisions of the Versailles Treaty⁹ not being of full value.

Finally it should be mentioned that on the day of the last meeting the British Delegation communicated a plan not to scrap in future a number of over-age cruisers (10 cruisers amounting to 50,000–70,000 tons) and destroyers (4 flotillas = 36 destroyers, totalling 50,000 tons) but to keep them in service, so that they would be available in 1942 as additional over-age tonnage for convoy duties and/or “anti-submarine craft”⁶ in coastal waters. The British side emphasized that Germany should equally have 35 per cent of this tonnage only in over-age ships, and simultaneously made a proposal for bridging over the interval until the corresponding German ships should become over-age. The German Delegation said that they could not yet define their attitude to this proposal (Appendix 2).⁸ But they promised that it would be studied later by the German Government. The British proposal was accordingly not included in the Summary.

It was agreed to treat the details of the “Summary” as strictly secret.

⁹ See document No. 165, footnote 6.

No. 182

7790/E560257–60

The Naval Attaché in Great Britain to the Commander in Chief of the Navy and Ambassador Ribbentrop

SECRET
Mar. No. 479

LONDON, June 27, 1935.
Received June 28.
SK 191 geh.

Subject: German-British naval discussions.

Mr. Craigie asked me to call on him at 5 p.m. today and told me that the British were in process of entering into naval discussions with the French. So far the French Government had not yet stated that they were prepared to send a delegation to London for this purpose. However, in order to make progress and in view of the great difficulties, it had now been decided to get in touch with the French Ambassador in London and his Naval Attaché so as to have preliminary conversations with them and thus make some progress with the French.

The French Ambassador will call at the Foreign Office at 11 a.m. tomorrow, Friday.

Mr. Craigie's intention was to state on this occasion that nothing more could be said about the Anglo-German negotiations since technical details were still outstanding and had to be examined in Berlin. It was a matter of course, he continued, that further progress could only be made in the whole of this sphere—as had already

been discussed at the meetings in London—if, on the one hand, German intentions could be communicated to the French and, on the other the corresponding intentions of the French could be communicated to us in return. The British were, therefore, putting forward a proposal as given in the attached *aide-mémoire* which was handed to me.

Mr. Craigie also gave the following explanations:

(1) Re Paragraph 2a:¹ The proposal to communicate to the French Naval Attaché in Berlin information about what was already being laid down and/or what was planned to be laid down this year had already been brought up in the London discussions and it would be desirable (as I too reported, Paragraph 2 of Mar. No. 449 of June 24),² for this communication to be made as soon as possible, which could also be done without detriment to us. In the case of this Paragraph, a corresponding French communication would hardly be required, since the French intentions had been generally published and were known.

(2) Re [Paragraph 2]b.¹ Mr. Craigie explained that, unless the German Government expressly released it, they did not propose to give the French more information than indicated in Paragraph 2. Of course the fuller the communication that could be made, the easier and better it would be. Reference would be made to the date for laying down the capital ship F only if this was in accordance with our wishes.

(3) Mr. Craigie emphasized that they attached considerable importance to the mutual exchange [of information] and to a "Gentlemen Agreement" [*sic*] with the French. In order to make progress, he therefore asked Germany for a reply to this proposal³ as soon as possible.

WASSNER

¹ i.e., of the enclosure, which is in English in the original.

² Not printed (7790/E560250-51).

³ The reply from the Naval High Command, SK 191/35 geh., sent under cover of M.Att. 1336 of June 29 (7790/E560261-62) reads:

"Re the British *aide-mémoire*:

"Re Paragraph 2:

"Re (a). The French Naval Attaché will be informed as soon as possible about ships laid down and ships still to be laid down in 1935.

"You will be informed as soon as this communication has been made. The Naval Attachés of the United States, Japan and Italy will similarly be informed. [The assistant to the French Military Attaché was so informed on June 29 in a conversation recorded in a memorandum of the same date by Bürkner (7790/E560263-64), which was circulated to all Naval Attachés; from internal evidence it would appear that the document despatched bore the number M.Att. 1345 g. of June 29.]

"Re (b). Agreed with the following reservations:

"I. Of the three capital ships still to be built, the first, to be laid down on July 1, 1936, will be built according to the qualitative limitation *at present in force*, i.e., 35,000 tons gross, unless the French build the *France* smaller. Otherwise attention is drawn to Paragraph 10 of the 'Summary of Discussions' [document No. 165].

"II. With reference to forgoing the construction of further 8" gun cruisers, this must read: 'If all the countries concerned agree not to construct any more 8" gun cruisers'.

"III. With reference to submarines, Germany intends at first to build only up to 45

[Enclosure]

CONFIDENTIAL

AIDE-MEMOIRE

(1) As regards the question of communicating confidentially and on a reciprocal basis to the French Government the German programme of naval construction, we have come up against the difficulty that, until the German programme is known in its general outlines, the French Government will almost certainly be unable to indicate their own construction programme.

(2) In order to overcome this difficulty the following procedure is suggested:

(a) that the German Government should as soon as possible communicate to the French Naval Attaché at Berlin particulars in regard to the ships already laid down and to be laid down this year;

(b) that, as regards future construction, the British representatives should inform representatives of the French Embassy confidentially as follows:

Germany has two programmes, one under which the ships necessary to ensure a 35% ratio to the British fleet would be completed by 1940, and the other by which the process would be completed in 1942. The first would only be resorted to if other countries greatly accelerated their normal rate of construction. The German Government are not prepared to communicate at the moment any decision in regard to the actual dates on which ships will be laid down under either programme but they have indicated that they will require to build three more capital ships of the maximum tonnage permitted under the qualitative limitations of any future general treaty that may be concluded. They have also indicated that they will wish to lay down one more 8" gun cruiser (making three in all) but would probably be prepared to stop at this figure of three if other countries agree not to construct any more 8" gun cruisers. As at present advised the German Government only propose to build up to a submarine strength equivalent to 35% of the present British submarine figure.

The German Government emphasize that the above suggestions are purely tentative and subject to modification when they know the intentions of other naval Powers.

(3) The British representatives would communicate the above information to representatives of the French Government on the basis of a "gentleman's agreement" that, within if possible a fortnight, the French Government would communicate to us a similar tentative, general and non-binding statement of France's probable building programme up to 1942.

(forty-five) per cent of the British submarine strength. It is assumed that in the *aide-mémoire* sent here there was a typing error (35 instead of 45). Otherwise attention is drawn to Paragraph V of SK 178/35 geh. of June 26, 1935 [document No. 176], whereby the final protocol [document No. 165] as amended by SK 178/35 geh., provides the basis for communications to other Powers."

No. 183

7467/H182690-93

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 131 of June 27

ROME, June 28, 1935—1:00 a.m.

. Received June 28—9:50 a.m.

II R 1580.

Further to [my telegram] No. 129.¹

Information supplied by Suvich and by the British Embassy on the whole confirms yesterday's report¹ about Eden's visit.²

Suvich strongly emphasized the informatory nature of the visit and the fact that the future development of the European problems which had been discussed depended on the French attitude. With regard to the Naval Agreement, the Italians had criticized only the procedure and had pointed out the possible repercussions of the agreement on the ratios obtaining so far. Moreover, in this sphere in particular everything depended on France, who would not discuss the German-British Naval Agreement now but wished in due course to bring up the question during the requisite conversations about the renewal of the Washington [Treaty].³ British quarters state on this point that the Italians at present seem little inclined to make use of Britain's readiness to enter at once into preliminary discussions with the Italian experts. Another quarter in the Foreign Ministry stressed in the same context that Italy would await the French decision. When I pointed out the entirely untrue assertions made by the semi-official Italian press when attributing to Eden statements concerning the temporary nature of the German-British Naval Agreement, Suvich declared that these assertions were naturally incorrect.

With regard to the remaining problems linked up with the naval question, namely the Air Pact, land armaments, the Eastern Pact and the Danubian Pact, Suvich declared that Italy had in principle acknowledged their indivisibility. But even in the French view indivisibility did not, after all, mean that individual problems could not be discussed separately, but merely that the ultimate entry into force of individual agreements would only be acceptable within the framework of the total structure. The British were working vigorously for the Air Pact and the Italians were prepared for discussions on a five-Power pact basis while the French desired an opportunity for simultaneous discussion of bilateral pacts. As regards procedure, nothing had been decided in Rome. Italy had adopted the same

¹ Of June 26; not printed (7467/H182676-78).

² Eden visited Rome June 24-26, 1935.

³ i.e., at the forthcoming Naval Conference; see also document No. 100, footnote 5.

standpoint towards the Eastern Pact as Britain, namely that of a sympathetic attitude though she was herself not directly concerned. If we were still abiding by the Declaration we had made to Stresa⁴ there would probably not be any insuperable difficulties. I replied that we had not retracted our Declaration, but that, owing to the Franco-Russian and Czech-Russian Pacts, and particularly owing to the threat that the former constituted to Locarno, the position had been rendered very much more difficult. Suvich thought that, as far as the legal aspect went, the Italians could not share the German objections. He did not appear to intend to send a reply to Berlin of the kind that France had sent.⁵ British quarters confirmed to me the description of the concept of indivisibility, but stressed its vagueness.

With regard to the Danubian Pact, Suvich declared that the Italians continued to be most profoundly interested in securing Austrian independence and that in view of this they welcomed the Danubian Pact, but nevertheless could not approve of the original number of participants being widened in the direction of including members of the Balkan Entente. He further added that it had been made clear to Eden, just as he had made it clear to me, that the Italians had done all they could to further the idea of a Danubian Conference and that they would for the time being undertake nothing further. Meanwhile Eden had evinced stronger British interest in the Danubian Pact than hitherto. The British Embassy confirmed this, adding that at the Danubian Conference Britain would do more than merely act as an observer. The British side further remarked that it was probable that a French initiative in the pact questions with regard to the security concept might very soon be expected; Chambrun⁶ seemed to have brought back information of this kind upon his return from Paris during Eden's visit. The Foreign Ministry also indicated that a French initiative is likely.

Suvich further remarked that he foresaw that the main difficulty would be in the sphere of land armaments.

With regard to the Abyssinian question, Suvich described as pure imagination the report in *Le Temps* of June 26 that the possibility of an understanding had arisen during Eden's visit. The British had stated their views to be that they abided by the League of Nations basis and that they could not but urgently desire a peaceful solution. Eden had admittedly not made any formal proposals in this sense, but had made suggestions with an offer of sacrifice on Britain's part in the interests of peace. In any case, the matter was hardly discussed

⁴ Document No. 29.

⁵ See document No. 170.

⁶ Comte de Chambrun, the French Ambassador to Italy, returned to Rome from Paris, where he had seen Laval, on June 23 (see *Le Temps* of June 24, 1935).

as Mussolini had early on explained that Italy could not consider small concessions, partial solutions, and the acceptance of sacrifice by others, but that the problem must now be solved on a major scale, peaceably if possible, but should Abyssinia's obstinacy render this impossible, then by other means. When I enquired as to the Italian attitude to the League of Nations, Suvich declared that Italy would in no case negotiate with Abyssinia in the League of Nations on a basis of equality. What would be the result of this remained to be seen. From information furnished by another department of the Foreign Ministry it transpires that Eden too was informed that Italy would not allow herself to be deflected from her course, even by the League of Nations. This information is confirmed by the British, who add that Eden is greatly disappointed and discouraged by the outcome of the conversations on the Abyssinian question. In view of all this it is worthy of note that the Foreign Ministry leave open the possibility of further negotiations with Britain about Abyssinia.

HASSELL

No. 184

K1052/K270361-77

*The Ambassador in the United States to the Foreign Ministry
(for the Reich Ministry for Public Enlightenment and Propaganda,
Department VII)*

No. 1216

WASHINGTON, D.C., June 28, 1935.

VI W 6881.

Subject: German cultural policy in the United States.

With reference to my report No. 1233 of June 27, 1934.¹

I. The major events in the sphere of general politics of last spring (the German people's recovery of their powers of military self-defence [*Wiederwehrhaftmachung*], the Anglo-German Naval Agreement) have caused the inhabitants of the United States, too, to become much more conscious of the revival of Germany's political strength, or at least to begin to be conscious of it. Simultaneously the bonds of sympathy linking German Americans to the Reich have already deepened and will deepen still further. At the same time, both amongst German Americans and generally in the United States, there is increasing and more widespread understanding for the New Germany and her whole attitude; certain signs of this are already apparent. Put at its lowest level—and without wishing to exaggerate either what has already been achieved or can be in future—Germany has become more interesting to the Americans in a favourable sense. Thus, since the potential American receptivity to all things German

¹ Not found.

has started to increase, it appears that the time has come to endeavour, by means of vigorous cultural activity, to exert more influence on the shaping of American public opinion to the lasting advantage of Germany, whilst simultaneously ensuring the existence of a vigorous German-speaking American community.

In the annexed memorandum, I have endeavoured to present an overall picture of German-American relations in the sphere of national politics [*volkspolitisches Verhältnis*], and to bring out, particularly, how closely interlocked are the purely political and politico-cultural problems that arise for Germany in the United States. In this connection, I draw attention to my report on my tour, report No. 310 of February 14 last.² On the basis of the personal impressions I gained during this tour (as set forth in this report), I have, during recent weeks, had the opportunity of discussing in detail the whole situation with the heads of all our career consulates in the United States. From these discussions there has emerged complete unanimity over the questions treated in my present report.

On the other hand, there have recently been apparent—possibly in part as a reaction against those trends towards improvement just described—signs that even the cultural approach towards influencing opinion may be endangered, since the campaign of political incitement conducted against us here is already beginning to prejudice our powers of cultural persuasion. Events that have recently come to my knowledge show that even purely cultural and American organizations, such as, e.g., the Carl Schurz Memorial Foundation in Philadelphia and the German Americans supporting it, have been made the subject of hostile attacks in the press, simply because they promote links with German culture. Disquieting reports have also come in of the growing difficulties encountered from many quarters by professors of German language in the exercise of their teaching functions in the universities and other schools.

I have therefore thought it advisable to compose a brief *résumé* of the problems in respect of culture and national policy which confront Germany in the United States, and to show these problems as a whole and in their close interconnection with political relations between the two countries. This *résumé* is contained in the annexed memorandum.

II. During the past financial year cultural propaganda has not only failed to make that advance which would be politically so desirable, but has, instead, suffered a setback. One of the principal reasons is the total suspension of the remittance of freely disposable funds to the Embassy and Consulates, to be applied in the sphere of art, music, the theatre, films, radio and sport.

One of the peculiarities of the American scene is that opportunities

² Not printed (K1226/K318651-72).

constantly crop up everywhere in the cultural sphere, when, for the expenditure of an often very modest sum, it is possible to work to Germany's advantage. Long-term projects permit of application being made in good time to Berlin and the requisite approval being awaited. But it is otherwise with most of the opportunities that present themselves. One reason is the immense size of the United States and the fact that, in many of the important cities, we have no career consulates, with the frequent result that opportunities only come to the attention of the officials dealing with foreign questions [*Auslandsbeamten*] at a comparatively late stage. All the Consuls who recently attended a conference here laid special emphasis on the need of restoring the funds at their free disposal. In this connection I venture, *inter alia*, to draw special attention to the copy of the report from the Consulate in Cleveland, dated April 22 last,³ annexed herewith in Enclosure 2.

The most useful arrangement would be to entrust the funds for the whole of the United States to the Embassy. The latter would then allot sums from the fund to the Consulates, as required and in accordance with a system which has proved itself in practice, to be at their free disposal whilst a certain amount would be retained by the Embassy as a reserve to be available for special cases. That portion of the fund which, by reason of foreign exchange difficulties, it might not be possible to make available in this country, could usefully be held in Germany, equally at free disposal, for purchases by the Embassy or Consulates.

For the reasons set forth above I request that:

(1) At least a certain fund be made available in foreign exchange to meet the most urgent requirements. A table, herewith enclosed, sets forth in detail the requests of the Consulates and the Embassy (Enclosure 2).⁴

(2) Furthermore I request that during the current financial year a sum of RM 10,000 be placed at the free disposal of the Embassy to make purchases, in Germany, in Reichsmark, for requirements in the United States.

The purposes in question are set out—as far as foreseeable—in a further enclosure (Enclosure 3).⁵

(3) Apart from this I enclose a list of further general requests, independently of the fund.⁶

LUTHER⁷

³ Not printed (K1052/K270389-90); other reports from consular agencies were also enclosed in Enclosure 2 (K1052/K270379-88).

⁴ Not printed (K1052/K270378); the total requirements in foreign exchange amounted to 14,350 Reichsmark.

⁵ Not printed (K1052/K270391-92).

⁶ Not printed (K1052/K270393-98).

⁷ No reply to this report has been found.

[Enclosure]

*Memorandum on cultural questions in the United States**I. Historical Origins*

In terms of culture the United States are only on the threshold of their evolution. In so far as the European concept of a nation [*Volksbegriff*] can be applied to them at all, they have been a separate nation for no longer than a century and a half. The majority of the inhabitants only migrated here some fifty to eighty years ago, and a very substantial proportion of American citizens has only been in the country for a generation.

By far the greater part are of European origin. The American people possess a culture of their own only in embryonic form. The cultural life of these people is still predominantly rooted directly in Europe. In terms of culture the United States are still substantially a colony of Europe. Until the World War, the major cultural influence on the United States came from Britain and Germany, by reason of the fact that so large a proportion of the expanding population of the United States was drawn from these two countries. France made her contribution too, but in practice only by means of extraordinarily effective cultural propaganda. Thus, whereas British and German influence arose naturally and spontaneously from the composition of the population, French influence was artificially and systematically created by France.

The World War had the most deleterious effects on Germany's significant and spontaneously created cultural position in the United States. It led to the destruction of the widely ramified German school system, to the most drastic reduction of the German language and thence to a diminution of popular links with German culture, since the children of German-speaking parents were anglicized, and to the deliberate denigration of the German nation and all things German. Thus, eventually, the Germans no longer met with a public and willing acceptance but were confronted with prejudice and aversion.

For the afore-mentioned reasons it was not possible to entertain any hopes, when the war ended, that German cultural influence, in its pre-war form, would revive again of its own accord. The Germans were therefore faced with the problem of whether to abandon entirely all their influence on the spiritual development of this nation of a hundred and thirty millions, and see the expected assimilation of the German-Americans take place within a few generations accompanied by the disappearance of any decisive German influence in the United States, or alternatively, whether to follow the French example and adopt a deliberate policy of cultural influence towards America. To follow the latter course entails attempting, systematically, to restore

Germany's cultural influence in the United States in two ways: the cultural revival and development of the German-American community and the cultural permeation of the American community as a whole.

II. *Reasons for intensified cultural propaganda in the United States*

(1) *General international significance*

In view of the decisive part played by the United States in determining the outcome of the 1914-18 war, it hardly seems necessary to draw attention to the importance, in terms of general policy, attaching to the direction of American public opinion. It matters little whether this society, consisting of a hundred and thirty million people, and disposing as it does of material wealth unsurpassed in any other country (and indeed, far in advance of the 1917 period, now actually possessed of a third of the world's supply of gold), actively intervenes in this or that phase of the European situation, or merely appears interested, or not. It is equally immaterial whether this great American State is well or ill guided and governed; nor does it matter that it is geographically far distant from us. The mass of humanity here assembled, these people with their practical skills, their physical robustness, their great natural and technical resources, as good as invincible in military respects, form, through the sheer weight of their own momentum, a decisive factor in world affairs. Through [their] financing of the Entente and tremendous supplies of munitions, followed by overt entry into the war ranged beside Germany's enemies, our doom was finally sealed in the World War.

The United States will exercise just the same pressure nowadays on world affairs, in war or peace, and equally so on the European situation, however much popular opinion and American politics on the surface may at present favour isolation. The United States are spiritually, culturally, and therefore also in sympathy, too closely bound up with Europe. For us the question can only be: is this pressure going to be exercised against us once more, or with us, or at least not against us.

Thus, at the very least, the United States sets us the admittedly—so to speak—negative, but none the less important, problem of how to protect ourselves against a repetition of what happened in 1914-18, and the dangers entailed in having America hostile to Germany both in sympathies and judgement.

(2) *Special international significance in relation to the New Germany*

This general aspect of German-American relations, which is concerned mainly with the protection of Germany against hostile intervention, is not only of long-term historical significance (as above explained); it also possesses special significance for present day politics.

Since the national revolution in Germany, a mounting campaign of

the most virulent incitement against us has won over practically the whole of public opinion, so much so—as must in truth be admitted—that the United States have become one of the main centres of anti-German agitation. No essential reasons, founded on major political differences between the two countries, exist to account for this state of affairs. It is a question of the operation of mass psychology, which, founded on that hostility which has become so firmly rooted in the older generation since the war, has raised up an emotional hatred which is at present infecting almost all social strata of the population, even though people may be beginning to show a certain amount of understanding for some of the far-reaching German measures, such as, in particular, the restoration of the power of military self-defence. The subject of a number of circumstances in German domestic policy, of a nature alien to American circumstances and ideologies, coupled with the most wild exaggerations and misrepresentations, need not be entered into in any detail here. Ways and means of combating this situation, given the fact that it has become so firmly rooted, have indeed become very slight, even when allowance is made for the tendency to rapid reversals of opinion inherent in the American character. Apart from the growing respect for a Germany recovering health and strength, cultural ways and means are practically all that remain open to us. Therefore increased cultural work in the United States is imperative in view of the peculiar political situation prevailing at the moment.

Intensified cultural propaganda would serve substantially to improve the prospects of safeguarding Germany in future against incurring political hostility from America. American hostility to Germany during the war and her present so very biased attitude are substantially derived, in terms of psychology, from the fact that in education, and particularly in the teaching of history, European affairs have been and are still being chiefly taught from a British, though often also from a French, point of view (e.g. the widespread anti-German attitude to the 1870 war; ignorance of the German character of Alsace-Lorraine as a reason for hostility [towards Germany] in the World War; in spite of everything, ignorance about the Saar Territory till the very day of the plebiscite).

(3) *The constructive significance of the Germanic idea* [Die deutsch-völklich aufbauende Bedeutung]

But the really decisive factor is that German cultural work of this kind could have truly positive, indeed creative effects in terms of the Germanic idea [*im deutsch-völklichen Sinne*].

How immense would be the value of an America friendly to Germany may perhaps be less apparent to German observers at home beset by the pressure of immediate necessities. However, it assumes

a most illuminating significance if one grasps the great possibilities which do in fact exist for achieving this objective in this country and which are the crux of the question.

To preserve the community of five to six million people who still speak German is a self-evident national task.

Alongside it is the equally self-evident task of keeping German culture abreast of the steadily developing and interchanging cultural life of the world. This means that, wherever new continents are becoming densely populated, the German spiritual influence should make its contribution and be extended. This task may well be felt to have become all the more important for us, since material opportunities of expansion are not at present sufficiently available to our own people, who are confined in so small a space. Here too is one of the cases where, however much National Socialist thought may be geared to Germany, this thought can nevertheless directly influence international developments. It will occur quite spontaneously, particularly if German cultural work is kept unpolitical and places its main emphasis on the preservation of the language.

For this purpose the United States offer far-reaching opportunities, unparalleled both in scope and kind anywhere else in the world. For the reasons set forth at the beginning, the United States are as yet almost completely open to cultural influence being exerted upon them from outside.

III. *The general direction for German cultural work*

Accordingly it is a matter of reopening the possibilities of German cultural work and further of applying the right means in the right way. France affords an example of methods perfected in a century of experience. The work of French cultural propaganda is very impressively described in an article in the special number of the periodical dealing with the teaching of modern languages, of April 1935, which was recently sent to the Embassy on account of another contribution contained in it, and which I enclose.⁸ The observations concerning America describe the situation and France's success in the United States only too aptly and prove the correctness of the French methods.

I have already mentioned the teaching of history. But all forms of European art, painting, sculpture, literature, architecture, even music, have frequently been treated in teaching, particularly in the extremely important women's colleges, as though they were virtually identified with France.

The result has been that everything which appealed emotionally to the older generation of Americans, particularly the more monied classes, everything that they admired in Europe, in so far as it was

⁸ Not found with the copy here printed.

not British, has borne the stamp of France. In this connection the taste and proclivities of women, who have had a stronger influence than men on the cultural life of the American people, has played a considerable part. In consequence it was but logical that, in a life and death struggle between France and Germany, in which the United States had no important political interests at stake, Americans should from the outset side with France, who, besides Britain, represented to them the major source of all that was beautiful and valuable.

Thus, during the World War, there arose the illusion of the war for civilization, which was directed against the most important cultural nation of Europe, namely the German.

This situation has so far not changed much. Admittedly the younger generation have departed somewhat from views handed down to them and delight to adopt what is new. *Soviet Russia*, and more particularly *Italy*, are systematically and very adroitly benefiting from this situation.

The Italians who, only a few years ago, held a pretty contemptible position in the life of the United States, have in the space of a few years, as I have frequently reported, much improved their position. They are pushing themselves forward everywhere; their cultural work is being very energetically conducted from Rome and generously supported. In recent years, for instance, a large-scale exchange of students has been introduced. The Italian population here are providing no little support for these activities and they are also being strongly promoted by American-Italian personalities. Special mention should be made of conditions in New York, where the mayor and the municipal authorities in charge of schools are Italians.

These examples alone show that *time is not on our side*. *Speed is imperative*. There is naturally no room for a predominant and totally alien culture. For language reasons alone the English culture remains dominant. It is possible that French culture is losing some of its influence over the younger generation, but Italy is already proposing to fill the gaps which have just appeared; and she is undoubtedly working deliberately, gradually, on a long term basis, towards creating, even now, a universal cultural background, which is one day to support the renaissance of the Roman Empire of which she dreams. The influence of Spanish culture is also increasing, particularly via Mexico and in conjunction with the ancient Indian-Spanish culture.

It must further be remembered that the racial composition of the population of the United States is constantly shifting to our disadvantage. The greatest increase in population occurs through migrations from Italy and the Slav countries. The Poles and Czechs are constantly gaining in numbers in Chicago, Milwaukee, Detroit and Cleveland, where Germans were once predominant, while the nucleus of German culture still provided today by five million German

Americans and which—should a sufficient number of them continue to keep up their German language—they will continue to provide, is, at present, rapidly diminishing. The uninterrupted failure of numerous German-language newspapers since the war, which the German Americans have so far accepted more or less passively, is highly significant evidence of this great danger. At this very moment the collapse of one of the very few German daily papers still extant, and of a whole series of weeklies, is imminent. But once the newspaper has disappeared, the most important means of maintaining German cultural consciousness and of keeping people of German stock together will be gone. To pick out only one example of the tragedy of the German American community, I may mention Milwaukee, and I enclose a cutting about it from the Chicago *Sonntagspost* of June 16, 1935.⁸

Finally, such receptiveness to foreign cultural influences as remains will continue to decrease the more science and art develop within America herself.

IV. *Details of Ways and Means*

The position in the United States, as described above, imposes on us two main tasks:

The one is spiritually to reanimate the German American community, to strengthen it internally and to unify it externally, to awaken a cultural consciousness and a cultural urge, so far hardly existing, and to prevent the remaining five to six million German-speaking Americans of today from disappearing within thirty years.

The second task is systematically to advance into the cultural vacuum which the United States at present still largely represents.

Regarding the means by which these two aims should be pursued, I have, during the last few years, submitted proposals in reports, both in general terms and in detail.

The main action which I request is the provision of sums of money to an extent corresponding to the scale of the task, such sums to be made available to the Embassy or the Consulates by the Foreign Ministry and the Propaganda Ministry, for the spheres falling within the competence of the two Ministries. In this connection, the foreign exchange question can to a certain extent be ignored, since material for cultural propaganda purchased in Germany for Reichsmark can be employed. The sums of Reichsmark which will be required will, by comparison with other expenditure and with the major political importance of the task, be very modest indeed.

LUTHER

No. 185

8918/E622366

*Circular of the Foreign Ministry*¹

Cipher Letter

BERLIN, June 29, 1935.

Sent June 30.

IV Rd. 2917.

For your information and where necessary for language to be held:

On his return from Sweden via Berlin to Kovno, the Lithuanian Foreign Minister, Lozoraitis, enquired,² through the Lithuanian Minister here, whether the Reich Foreign Minister would receive him. The Foreign Minister replied that he could receive M. Lozoraitis only if the latter were able to make concrete proposals for improving German-Lithuanian relations.

By order:

H[EY]

¹ Addressees were the Missions in London, Rome, Paris, Warsaw, Moscow, Stockholm, Prague, Riga, Tallinn, Kovno and Helsinki and the Consulate at Geneva.

² No other record of this enquiry has been found.

No. 186

7846/E569305-07

Memorandum by the State Secretary

BERLIN, June 29, 1935.

[II R 1600.]¹

The French Ambassador called on me today² in order to point out to me—not on instructions but evidently in consequence of information he had received from Paris—that mistrust and ill-feeling had arisen among his Government on account of the fact that the German draft for a Locarno Air Pact³ had been communicated in London only, and not in Paris as well. It was, after all, he said, a joint Anglo-French idea and this one-sided favouring of Britain had given rise to the suspicion that we wanted to exclude France or to treat her less well, and to disrupt the Anglo-French front by favouring Britain. He was therefore venturing to make the personal suggestion that we should counteract these ideas, which he himself regarded as erroneous, by “instructing Herr Forster” to furnish M. Laval with the German draft Air Pact and to ask him for the French draft. Thus the Air

¹ Taken from another copy (M195/M006129-31) which lacks the final (handwritten) paragraph.

² In another memorandum of June 29 (2406/510941-42) Bülow recorded a further conversation with François-Poncet on the French Memorandum of June 25 (see document No. 170) and the Eastern Pact.

³ Document No. 106, enclosure.

Pact conversations would start quite naturally, which would be to everyone's advantage. It seemed to me to emerge from what the Ambassador said that the British themselves had sown mistrust by informing Paris that they had suggested to us that we submit our draft to the French Government, but that we clearly had no intention of doing so.

I told the Ambassador that the matter was not as simple as he thought. Our draft Air Pact had come into being and had been communicated in consequence of a whole series of misunderstandings. If, acting on his suggestion, we were to communicate it to the French, this could only be done with reservations. It was not a purely German draft, fully representing our views, but was, rather, Germany's ideas in an English setting, or, more precisely, a *résumé* of the discussions held so far in the form of a draft treaty. We had at the time⁴ understood from Simon that he already possessed British, French and Italian drafts and wanted a German draft to complete the collection and/or in order to exchange proposals. During his visit to Berlin⁵ he had, when discussing the project, expressly declared that the limitation of aerial armaments did not belong to the treaty and should be dealt with separately. He had also stated his views on the Führer and Chancellor's proposal immediately to limit aerial bombardment. When he had received our draft he had, to our surprise, complained that we had mentioned the prohibition of aerial bombardment in the preamble only and had not dealt with the limitation of armaments at all. If we had had our way both points would have been dealt with in the treaty itself. We were equally surprised when it emerged that no Italian draft existed and that the British had no intention of exchanging drafts. We were therefore naturally reluctant to forward a partially unsuccessful draft to Governments who had not taken part in these purely German-British discussions; moreover, we had no intention of taking any initiative in the Air Pact question, since we regarded it as an Anglo-French idea.

The Ambassador insisted that his suggestion was both appropriate and well-timed and that it could be of great help in improving the atmosphere and getting conversations under way without too much to-do. I therefore promised to pass on his suggestion to higher authorities. I also pointed out, however, that our draft contained nothing sensational.

It seems to me that the Ambassador's suggestion is quite worth while. The French are, of course, not interested in the draft, even if they really have not seen it; their concern is to open discussions with us. Should we not instruct Köster, when he returns, to communicate the draft to Laval, while making reservations similar to those out-

⁴ See document No. 68.

⁵ On Mar. 24-26; see vol. III of this Series, documents Nos. 555 and 564.

lined above, and to request the French draft? We should then, of course (shortly afterwards), have to do the same in Rome and Brussels. I see no danger in this if we deny any *initiative* and stress that it is an *Anglo-French* plan which these Powers would have to pursue.⁶

BÜLOW

⁶ Marginal note: "I agree. But Köster should say that *Poncet had suggested here* that we communicate our draft in Paris, and that we are acting on this suggestion. v. N[eurath], June 29." A despatch in the above sense was drafted on July 2 (7846/E569308-14), but was not sent; on the same date Neurath minuted (7846/E569315-16): "St[ate] S[ecretary]. I am extremely doubtful about communicating our draft to the French and Italians, even if this were to be done very cautiously. I should prefer to instruct Hoesch to inform the British of Poncet's request and to suggest that they forward the draft to Paris and Rome." The Embassy in London were instructed in this sense in despatch [zu] II R 1600 of July 5 (7846/E569317-20).

No. 187

2067/449106-07

The Naval Attaché in Great Britain to the Commander in Chief of the Navy and the Foreign Ministry

Mar. No. 487

[LONDON,] July 1, 1935.

Received at the Naval Command July 2.

Received at the Foreign Ministry July 4.

SK 198 geh.

II M 1590.

Subject: German-British naval discussions.

The receipt of Nos. M. Att. 1336g¹ and 1345g² of June 29 is acknowledged herewith.

I have conveyed the observations contained therein to the Foreign Office, for Mr. Craigie, with a copy for the Admiralty at the same time, and given some oral explanations. I was asked to convey the thanks of the British Foreign Office for this detailed information, which was regarded as very valuable for the further treatment of general naval armament questions.

Mr. Craigie informed me that the French Ambassador had been at the Foreign Office on Friday, June 28, and had discussed with him matters of principle concerning the necessary steps to be taken in respect of the naval conference. The French did not intend at present—mainly for reasons of domestic policy—to send a special delegation here, but it was possible that within the next two or three weeks a Gentlemen Agreement [*sic*],³ as mentioned in the *aide-mémoire* of June 27,⁴ might actually be reached through the Ambassador. This would facilitate the communication of French and German

¹ See document No. 182, footnote 3.

² See *ibid.*

³ In English in the original.

⁴ See document No. 182, enclosure.

building plans. The intention was also to get into contact with the Italians in the same manner as with the French and, if agreement was reached with both, to approach us again in order to examine the question of how far negotiations should be entered into with the Russians. The British Foreign Office thought it necessary to keep such an approach very much in mind, since the Russians were inclined to make extraordinary difficulties in the whole naval question, principally for Europe. In the British view, however, such an approach could not be considered before the matter had been clarified with France and Italy.

WASSNER

No. 188

8015/E576079-83

The Ambassador in Great Britain to the Foreign Ministry

A 2279

LONDON, July 2, 1935.

Received July 3.

III O 2829.

Subject: Britain and the Abyssinian problem.

In a conversation which I had yesterday with Eden, he informed me of his conversations last week with Mussolini¹ on the Abyssinian problem.

He said that he had, at his own instance, been empowered by the British Government to make Mussolini the following offer for the peaceful settlement of the Abyssinian question:

Britain would be prepared to cede to Abyssinia a strip of territory in British Somaliland, which would give Abyssinia access to the sea. The right which Britain would acquire to a compensation in return she would be prepared to make over to Italy, who would have to state what she desired. Economic concessions might supplement possible Italian territorial gains, so that Italy would secure considerable advantages and would liquidate her conflict with Abyssinia peacefully and satisfactorily.

Eden emphasized that the British Government had decided to make this "offer" in order to make quite clear that their attitude to the Italo-Abyssinian conflict was not being dictated by selfish motives, and especially in order to deprive Italy of any pretext for further suspicion of Britain. Even in the event of an outbreak of hostilities between Italy and Abyssinia, the British Government did not in fact fear any threat to British interests, which were concentrated round Lake Tana. Britain was therefore not actuated by selfish motives

¹ Eden visited Rome June 24-26; see also document No. 183. Hassell also reported on Eden's visit and the Abyssinian problem in report I 421 of July 5 (8017/E576871-75).

in her policy towards the Abyssinian problem. Britain's only concern was to prevent a war of conquest, which would represent a very serious threat to the League of Nations and thereby also endanger the foundations of British foreign policy.

Mussolini, Eden continued, had rejected the British proposal and thus created an exceedingly difficult situation. He [Eden] was still convinced that all hopes of a peaceful settlement had not yet disappeared. But he believed that there could now be no doubt that an armed conflict between Italy and Abyssinia was very likely to arise. Should this occur, the League of Nations structure would naturally be placed in grave danger. Since the British Government had, for good or ill, based their foreign policy on the League, this policy would undoubtedly be likewise greatly affected. Since Britain had made it a principle to pursue her policies in Europe primarily within the framework of Geneva, if the League of Nations were to be seriously impaired then it was possible that the British Government would be led in future to curtail their participation in political events on the Continent.

Eden's remarks show how seriously the Abyssinian question is taken here and what significance it may have for the future shaping of world affairs. Eden is doubtless right when, just as Sir Eric Drummond² has already done to our Ambassador in Rome, he denies that purely selfish British interests occasion the British attitude. Such local British interests, even if they were present, would doubtless be greatly overshadowed by concern over the extremely difficult situation in which Britain, with her League of Nations policy, would inevitably be placed in the event of an armed clash between Italy and Abyssinia. British public opinion, which, in the so-called "Peace Ballot",³ has only just recently proclaimed itself to be overwhelmingly in favour of the maintenance of peace by the extension of the system of collective security, would plainly not tolerate it if the British Government were just tacitly to accept a breach of the League of Nations Covenant by Italy or were to take part in an attempt at sophistically glossing it over. On the other hand, if Britain were to try to make herself the advocate of League of Nations action of one kind or

² British Ambassador to Italy; Hassell reported on a conversation with Drummond in despatch I 341 of June 6 (8015/E576062-64), a copy of which was transmitted to London on June 17 (8015/E576065).

³ In English in the original. The so-called "British National Peace Ballot" was a poll of public opinion organized as a non-official, non-party venture by the League of Nations Union, on the basis of the following five questions: "(1) Should Great Britain remain a member of the League of Nations? (2) Are you in favour of an all-round reduction in armaments by international agreement? (3) Are you in favour of an all-round abolition of national military and naval aircraft by international agreement? (4) Should the manufacture and sale of armaments for private profit be prohibited by international agreement? (5) Do you consider that, if a nation insists on attacking another, the other nations should combine to stop it by (a) Economic and non-military measures? (b) If necessary, military measures?" The results of the poll, announced on June 27, 1935, showed a total of some eleven and a half million votes cast; on questions 1, 2 and 4 over 90 per cent were in the affirmative, on questions 3 and 5a over 80 per cent, while on question 5b the majority fell to 58.7 per cent.

another, directed against the Italian undertaking, she would probably not find sufficient support among the remaining Great Powers and, in particular, would risk being left in the lurch by France. France, if only because of Germany, will not be willing to risk losing her new friendship with Italy and in this respect is of course known to have no scruples. Realistic reflection on the situation must, therefore, lead Britain to realize that unswerving loyalty to the League of Nations might easily, in the present case, place Britain in the rôle of champion of an abstract League morality, more or less in isolation and thus lacking any prospect of success, a rôle which, from the point of view of practical British interests, would certainly have nothing attractive about it. In reality, therefore, logic indicates that an Italo-Abyssinian war, with the consequence, which seems well-nigh unavoidable, of a complete failure of the League, might cause Britain to reshape her policy in the direction of a greater *désintéressement* in international questions which are of no direct concern to Britain.

I would also like to add that Eden, in discussing the possibility of an Italian campaign in Abyssinia, expressed himself as being extremely worried about the magnitude of the adventure in which Italy would be involved, and voiced the opinion that the Italian army would be faced with an exceedingly difficult and very protracted task.

Directly before my conversation with Eden, the latter had made a statement in the House of Commons about the course of his talks in Rome. The contents of this statement substantially agree, in what was actually said, with the information which I myself received from Eden. The announcement of the British territorial offer caused surprise and criticism in various parts of the House; the criticism, however, could not be expressed in detail within the framework of the usual questions and answers. However, the morning press today does contain, here and there, very severe attacks on the arbitrary way in which the British Government are said to have wished to dispose of territory belonging to the British Empire, and Eden himself is also being sharply criticized for his failure in Rome, particularly by the *Daily Express*.

The passage referring to Abyssinia in Eden's statements yesterday, and also the questions and answers which followed it, are contained in the enclosed parliamentary report on pages 1525-1528.⁴

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⁴ Not reprinted; for the relevant passages see *Parl. Deb., H. of C.*, vol. 303, cols. 1520-1524. See also document No. 189.

No. 189

7467/H182708-13

The Ambassador in Great Britain to the Foreign Ministry

A 2288

LONDON, July 2, 1935.

Received July 3.

II R 1624.

Subject: Eden on the present state of outstanding European questions.

Eden made a statement in the House of Commons yesterday on the course of his most recent conversations in Paris and Rome concerning the German-British Naval Agreement and on the present position with regard to major European questions. I have the honour to submit the enclosed text of Eden's statement as published on pages 1524 to 1525, paragraph 1, in the official parliamentary report.¹

Eden's statement on these questions was generally thin and scarcely contained anything new. A certain importance, however, attaches to the passage in which he says that the British Government, in conjunction with the French Government, are seeking the form of collaboration best designed to secure the fulfilment as quickly and completely as possible by all interested countries of the familiar programme set out in the London Communiqué of February 3.²

Immediately after Eden had made this statement I had a lengthy conversation with him in which he supplemented the information he had given to Parliament.

He stated that, as before, the British Government naturally still adhered to the political programme formulated in the London Communiqué of February 3. They had come to realize, however, that the various items of the programme were being differently evaluated by the different countries concerned. In France, for example, the Eastern Pact and the possibility of reaching agreement on land armaments were in the foreground. Italy was predominantly interested in the idea of the Danubian Pact³ and, as was known, British efforts were primarily directed at getting the Western Air Pact concluded as quickly as possible. It would, therefore, seem to him quite appropriate that each of the interested States should concern itself with the project it cared about most, provided that an overall solution could eventually be found. Eden followed this up by indicating how greatly Germany could help to promote a solution of the whole problem by adopting a constructive attitude to the individual questions.⁴

¹ Not reproduced; for the text of this statement see *Parl. Deb., H. of C.*, vol. 303, cols. 1520-1522.

² See document No. 46, footnote 3.

³ Marginal note in an unidentified handwriting against this passage: "?"

⁴ Marginal note in Neurath's handwriting: "Always the same old story."

I thereupon took these questions up one by one and observed in the first place that it seemed to me that Mussolini's interest in the idea of a Danubian Pact had in the meantime very much taken second place to the Abyssinian problem, which Eden confirmed. I then also ascertained that Eden had not returned from Rome with the impression that the idea of the Danubian Pact had meanwhile been substantially advanced. Upon Eden's asking whether Germany could not contribute somewhat towards the practical shaping of the Danubian Pact problem, I pointed out that the originators of the pact idea had so far not produced anything concrete and that it was certainly not for us to act as midwife in this difficult birth. When Eden enquired whether Germany might perhaps be disposed to negotiate direct with France over the limitation of land armaments, I said that France's continual rearmament measures really absolved me from answering such a question. Moreover, it was common knowledge that the future effective strength of the German army had been fixed at 36 divisions. Consequently the only form in which I could imagine negotiations on questions of land armaments taking place would be that of France putting forward practical proposals about joint limitation in the field of war material; but this hardly seemed likely.

We then came to speak of the Eastern Pact again and I explained to Eden once more, basing myself on the texts, that the alliances concluded between Russia on the one hand, and France and Czechoslovakia on the other, were solely directed against Germany and that in these circumstances it would simply be asking the impossible of Germany if at this stage it were to be suggested to the Reich Government that they should join the Eastern Pact, even though only on the familiar limited basis, and that they should thus, as it were, implicitly endorse the alliances directed against Germany. As is commonly the case here, Eden too tried hard to explain how extremely useful it would be for the general development of affairs in Europe if Germany were to lay aside her understandable objections and to join the Eastern Pact nonetheless. He explained that public opinion the world over, which could not after all thread its way through the labyrinth of French dexterity in the drafting of treaties, would invariably take Germany's repeated refusals to join the Eastern Pact to mean that Germany, although ready to preserve peace in the West, wished at the same time to keep a free hand in the East. He was seriously afraid that if the Eastern Pact were not concluded, France, despite Laval's understanding attitude, would not be prepared to take part in concluding the Air Pact which certainly required French collaboration. It was therefore earnestly to be desired that the Reich Government should show themselves conciliatory in the Eastern Pact question, recognizing that to persist in their negative attitude

would make an extremely unfavourable impression on the world and would once again bring European politics to a standstill.

After I had again set forth to Eden all the mendacity and hypocrisy of the Franco-Russian Treaty of Alliance and had indeed found him to be very sympathetic to this view, it nevertheless finally emerged that the quintessence of the impressions Eden had gained from his travels was that a favourable German attitude to the Eastern Pact must be regarded as the chief precondition for the realization of the Air Pact and thus for further progress in the European political problems.

At the end of our conversation I asked Eden what were the views of members of the British Government as to future developments. The Minister replied that what would probably happen was that Britain would begin by approaching France with a proposed agenda. Once this had been agreed between London and Paris, an approach would forthwith be made to the other interested Governments, especially the German Government, through diplomatic channels with the object of further advancing the questions at issue.⁵

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⁵ Marginal notes: (i) "[For the] R[reich] C[hancellor]. v. Neurath, July 4." (ii) "The Führer is informed. L[ammers], Berlin, July 16, 1935."

No. 190

147/78789-805

Unsigned Memorandum

NOTE OF THE DISCUSSION HELD ON JULY 3, 1935, BETWEEN THE FÜHRER AND CHANCELLOR, FOREIGN MINISTER FREIHERR VON NEURATH, MINISTER PRESIDENT GÖRING AND HERR VON RIBBENTROP, FOR GERMANY, AND THE POLISH FOREIGN MINISTER, BECK,¹ AND THE POLISH AMBASSADOR IN BERLIN, LIPSKI, FOR POLAND

The Reich Chancellor opened the discussion with the remark that several foreign Governments were at present urging his Government to take a further step, especially over the question of the so-called Eastern or North Eastern Pact. It was in fact the old project in a new form, but even now he wondered whether to undertake new obligations would not merely vitiate the obligations already existing in this part of Europe. He enumerated the existing treaty commitments to Germany's Eastern neighbours and to Russia and emphasized that he did not really consider any further agreements over and above these necessary. Germany would under no circumstances accept the project in its old form of a pact of mutual assistance, for on this point the German people would indeed for the first time fail to

¹ Beck visited Berlin July 3-4, 1935.

understand their Führer if he, whose whole political career had been taken up with the struggle against Bolshevism, were to conclude a treaty for the protection of the Soviet State. Germany desired to support the Bolsheviks as little as she desired to accept Soviet Russian aid in the event of a clash with France. An objection to the new proposal was that in practice the definition of the aggressor was always left to the treaty signatories. Thus the recently concluded Franco-Russian Pact had in fact become a military treaty in disguise. Such treaties could only result in the stronger party being able to prepare at leisure for military action; moreover, the stronger party would benefit from the support of the other signatories if the weaker party, whose only hope of salvation might lie in swift action against its stronger opponent, were in consequence of such action to become the aggressor according to the letter of the treaty. The Reich Chancellor referred to the Italo-Abyssinian affair and said that Germany might easily find herself in a similar position *vis-à-vis* the Powers of Western and Southern Europe. He did not favour absurd constructions, but on the contrary desired the restoration of a sound faith in such treaty obligations, freely undertaken, as could only be granted to all peoples or to none. He then turned to the exchange of views between Germany and France on the relation of the Treaty of Locarno to the Franco-Russian Pact² and said that, in spite of the subtle French statement to the contrary, the fact remained that, in the cases to which Article 16 applied, the Treaty signatories, France and Russia, in actual fact possessed the sole right to define the aggressor, because the machinery of the League of Nations would undoubtedly always work too slowly. The German concept of an assistance pact envisaged, first of all, the voluntary institution of a supreme arbitration authority, resembling, for instance, the Court of Arbitration at The Hague, or a special body such as that which had recently been called in to deal with one particular dispute with Switzerland.³ For all these reasons the German Government hesitated to take any further steps in the question of the proposed Eastern Pact.

Foreign Minister Beck replied that his Government had engaged in an exchange of views on the question of the assistance pact with the British and French Governments after the conclusion of the Franco-Russian Pact. He would be pleased to communicate the results of this exchange of views. They consisted of three points:

1) Poland was not directly interested in such an assistance pact. What mattered most to Poland was her relations with her immediate neighbours. These had been regulated by treaty. There was therefore no occasion for further agreements. His Government viewed

² See documents Nos. 107, with enclosure thereto, and 170.

³ See document No. 125, footnote 3.

the active discussion of new projects without any anxiety; at most they would consider these projects for the sake of European solidarity, but not simply from concern for their own interests.

2) The experience of recent years had shown the Polish Government that only treaties between directly interested partners could have concrete results. The Polish Government did not desire any fresh treaties, which would reduce the value of these direct agreements, nor, in cases of existing treaties being assimilated to new agreements, did she wish the substance of previous treaties to be vitiated by being re-formulated.

3) The Eastern Pact had been designed as a regional agreement. The idea of such agreements had developed as follows: first it was desired to supplement the entire Covenant of the League of Nations with individual instruments, then to establish a special treaty community of European Powers, and finally it was considered sufficient to have treaties for various European regions. To grasp the logical development of this idea one must know what the European conception of a region was. Each Government must contribute towards this [knowledge]. But the concept of a region as defined in the proposed Eastern Pact was one on which opinions might differ greatly. If it was seen as a North East European Pact, then it was not clear why Finland and Sweden had not been included, while it was hard to see why Czechoslovakia should belong to it. The Polish Government were not prepared to accept arbitrary definitions of the boundaries of regional interests. As far as they were concerned, Czechoslovakia belonged to the Danubian region, i.e., to a different region which had nothing to do with Eastern Europe. As examples of logically constructed regional treaties he mentioned the Locarno Rhine Pact and a series of non-aggression pacts which Russia's Western neighbours from Finland to the Black Sea had concluded with Soviet Russia. These treaties had all been concluded on the same political and geographical principles and embodied a definite idea. The Polish Government could not, therefore, accept the formula at present proposed for the Eastern Pact without making certain clear reservations. These arguments had been very successful with the French and British. The Polish Government's attitude had not altered since then.

With regard to the statements under point 1), Foreign Minister Beck again declared that Poland was not especially interested in the new pact project. The major collective agreements such as the Kellogg Pact and the Covenant of the League of Nations had not greatly altered the existing situation. The Polish Government had stressed that any project for an Eastern Pact which did not include Germany would be unacceptable to them, because without Germany neither the spirit nor the letter of such a pact could correspond to the

logical concept of such a treaty. The Polish Government did not mean to be doctrinaire, and they were prepared to study fresh pact proposals in a modified form. Although they were not themselves interested, they had no objection to studying such a concept. The international press campaign, of which we too were aware, and which was seeking to influence the decisions of the Polish Government in this question, was of no real importance. The Polish Government desired to continue to keep in touch with the German Government on this question.

The Reich Chancellor summed up by saying that both Governments were determined to act in concert should it become necessary, as a result of pressure by other States, shortly to study the problem anew. Germany had demonstrated her willingness to conclude non-aggression pacts before, but she had not then been thinking of a general pact such as was now proposed; for such a general pact would change the sense of the proposed agreements. He repeated that in their clever statement the French had not succeeded in dispelling Germany's doubts as to the compatibility of the Franco-Russian Pact with the Locarno Pact, and that the German Government would in no circumstances enter into new agreements until all discrepancies had been removed. Germany, on whom the Locarno Treaties had indeed imposed great sacrifices and burdens, did not intend to allow the security she had hoped for from these treaties to be prejudiced by subsequent agreements. In any case he could not understand how one group of States could simply impose a certain treaty system on another group of States. When he had asked them, the English Ministers⁴ had told him categorically that their country was not prepared to undertake further obligations; nor did we intend to accept automatically obligations formulated for us by other countries. What we might perhaps desire for the future would be to clarify our relations with Austria, in whose affairs we did not wish to interfere in any way. The potential increase in population did not affect the question, for even now we were not in a position to utilize to the full for military purposes the 67 million Reich Germans. The only difficulty was that public opinion in the Reich was constantly being irritated by events inside Austria. If the concept of non-interference could be more clearly defined, we would also be prepared to conclude the treaty of non-interference; so far, however, it had not been possible to define these terms.

Foreign Minister von Neurath emphasized that our objections to the proposed regional pacts were the same as before. The concept of regional pacts had not been clarified. The French for example wished to participate in the Eastern Pact, although France could

⁴ For the visit of Simon and Eden to Berlin, Mar. 24-26, 1935, see vol. III of this Series, documents Nos. 555 and 564.

scarcely be considered to belong to Eastern or North Eastern Europe. In the event of French participation, therefore, the Eastern Pact would become a European Pact. This would raise the question of England participating, but England did not wish to participate. Consequently the German Government's objections were very similar to the Polish Government's and they would make use of these objections in their forthcoming reply to the French Government.

The Reich Chancellor said that the real reason why Russia was pressing for an Eastern Pact was her fear of conflicts in the Far East. She wished to sterilize and at the same time to cause confusion amongst the countries to the West of her, in order to free her rear for action in the East. In the question of the Eastern Pact France and Russia were each trying to attribute the initiative to the other.

Foreign Minister Beck stated that any project aiming at the encirclement of Germany would be unacceptable to Poland.

In reply, the Reich Chancellor assured him that Germany too would not take part in any action designed to isolate Poland which might be suggested to us.

Foreign Minister Beck confirmed that a clear situation had now been created, and that both Governments, should it become necessary to study any fresh projects, would take particular care to ensure that the existing commitments between them were not watered down.

The Reich Chancellor then spoke of two circumstances which rendered the situation in the East particularly precarious. The first was the fact that airfields were being constructed in Lithuania under the supervision of Russian officers, the second, that information had been received concerning similar activities in Czechoslovakia. This was all the more dangerous because our essential industries lay chiefly in the frontier areas. It was clear that once these preparations had reached a certain stage, Czechoslovakia's present known air strength, to take an example, could be increased enormously within a few hours. He requested that the Polish Government too should study these questions, which were upsetting all attempts to calculate air strengths. We were not interested in unlimited armaments. We had conducted our negotiations in England, which was realistic in these matters and did not demand the impossible of us, on this basis. In considering the general situation it must not be overlooked that the situation in France had not been cleared up, and that there were two opposing fronts there. He viewed with anxiety the possibility that a French Government might one day contemplate a diversion abroad as the only way out of internal difficulties. He particularly feared the nervous and easily aroused elements in Paris, who had been reinforced by *émigré* agitators. If Germany's relations with England developed favourably it would be possible to find an acceptable ratio of air strengths, even if it were true that the Russian figures, which it was

hard to estimate, really were 3,000 to 4,000 military aircraft and a total of about 16,000 to 18,000 aircraft of all types. But if Russia insisted on being allowed to increase these figures as she pleased, this, in conjunction with the construction of new airfields in Czechoslovakia, might be an extremely grave matter which Poland too would have to consider. He believed that Japan was slowly but tenaciously forcing Russia out of Eastern Asia. If she succeeded in this, then Russia would again transfer her interest to the West, a process for which there were historical precedents and which must not be allowed to take us by surprise. If Russia could be caused to undertake to restrict her air strength to its present level, then he would be satisfied if Germany had parity with the Western Powers.

Foreign Minister Beck replied that in his opinion the proposed Air Pact between the Western Powers must also be considered a logical regional pact, but one in which Poland would be directly interested only if Russia were to be included, in which case Poland would be obliged to state her views upon this problem. He had already said that in his opinion Czechoslovakia belonged more to the Danubian region. On the occasion of a preliminary discussion on the projected Danubian pact he had told Ambassador von Moltke that he thought this project had a better geographical basis than the Eastern Pact and was exposed to fewer incalculable factors.⁵ With the idea that Polish participation in this pact might bring about a better balance of power between the treaty signatories, the possibility of Polish cooperation had been considered. But it had then transpired that the purpose of the project as announced was to safeguard certain privileges of the States of the Little Entente, in which Poland had no interests. A sounder framework for the pact would only be conceivable if relations between all the signatory States were taken into account, and no preferential treatment given to individual signatories. Poland had no reason to desire closer relations with the Little Entente, whose political basis she considered unnatural. On the other hand, Poland and Hungary were friends and there was no reason why Poland should leave Hungary in the lurch. Polish participation would, therefore, only be considered if a balance of power between the signatory States could thus be established. A further condition was, of course, that the pact should not be directed against Germany.

The Reich Chancellor interpolated that in his opinion the Rome Pact concept was dead.

Foreign Minister Beck then continued: As far as Russia's relations with Czechoslovakia were concerned, he would not deny that it was possible that these two States did indeed intend to collaborate, but at present he doubted whether such intentions would be put into effect. He thought he had discerned that these intentions had re-

⁵ Moltke had reported to this effect in telegram No. 3 of Jan. 9, 1935 (7825/E567491-92)

cently suffered a setback. He had as yet no clear information on the content of the Czech-Russian Pact.

The Reich Chancellor here remarked that the work of the General Staffs had often progressed much farther than was indicated in the political agreements. Thus he had told the English, months before it was officially announced, of the imminence of the Franco-Russian Pact and had upheld this view in spite of English denials. The English had even tried to make light of the familiar revelations by Deputy Archimbaud⁶ until the facts had caught up with them. With regard to the Russo-Czech affair, too, he had faith in the reliability of his sources of information. Whilst the fact of collaboration between the two States had definitely been established, it was perhaps still uncertain—though this was of little importance—what outward form the participants would choose to give their agreement. After all, this form would only be designed to render the actual terms of the treaty acceptable to other countries. He adduced as an example the collaboration between England and France before 1914, which had never been laid down in concrete terms in the form of a treaty, and stressed that after such experiences Germany had become suspicious, though not on account of Czechoslovakia herself, a State which, if only because of its own structural unsoundness, must desire tranquillity, and whose continued existence depended on peace being preserved. But once the way to such collaboration with the Soviets was open, there was no knowing where or how far this combination might lead. Even the German community in Czechoslovakia, which was at present nationalist in outlook but which found itself in a difficult and almost hopeless situation, especially economically, might perhaps not be able to refrain from sympathizing with the other extreme instead. Soundly based authoritarian régimes were possible in highly nationalist States such as Germany, Italy or Poland, but in the case of States consisting of a mixture of nationalities, such as Jugoslavia, and even more so Czechoslovakia, there were too many internal tensions for a strong Government to be possible. Where the structure of the Polish State was concerned, he especially appreciated the fact that the nation had grown up out of the army, which had given it the peculiar advantage of being a disciplined State.

Reich Minister Göring then made detailed statements on observations made in Czechoslovakia in the sphere of aviation. Work had started on 27 operational airfields in collaboration with Russian officers and the Russians had stocked these airfields with petrol at their own expense. The airfields on Russian territory clearly had all the features of invasion airfields capable of accommodating large formations, whilst those on the German and Polish frontiers were operational fields equipped with ample railway installations and with

⁶ See vol. III of this Series, document No. 358 and footnote 8 thereto.

provision for large bomb dumps. The bombs too had been provided at Russian expense. By way of camouflage flying schools and civil aviation stores had been installed, but these were ridiculously small compared with the available hangar space and other installations, and it was clear that any serious estimate would show that the necessary installations for concentrating some 1,000 military aircraft were already available.

A further cause for concern was the question as to whether Rumania would grant Russian aircraft and other Russian armed forces rights of passage through her territory. It was known that only the King of Rumania was opposed to this, whilst Titulescu was doing his utmost to force the Little Entente into close relations with Russia. Whilst Czechoslovakia now had her treaty, Yugoslavia still stood out against it. Even the idea which had once been mooted of having a common Ambassador for the Little Entente countries in Moscow had also been designed to further such ends.

On the strength of this military picture the Chancellor asked whether, assuming for the moment that the passage of Russian divisions and aircraft through Rumania for deployment in Czechoslovakia was a fully proven fact, a State thus threatened would be justified in intervening, or would it be obliged to wait and to suffer such activity until the other Powers had completed their preparations? Like Abyssinia today, the threatened State in such a case would see every detail of the enemy's concentration and would not be able to complain of a violation of the pact of non-intervention, since intervention would be held to exist only if Czechoslovakia herself complained of it. Under the literal interpretation of the suggested treaties, therefore, the State thus threatened would have to take great care that the first shot was fired by the other side, and that before witnesses, for otherwise, according to the letter of the Eastern Pact, it would be held to be the aggressor and would have all the other signatories of the pact against it as well. It was obvious that Germany could not view such activities with equanimity, unless she wished to surrender unconditionally. And yet the French were trying to lure Germany into such a pact, in order to get the Laval Government out of their internal difficulties.

Foreign Minister Beck admitted that the French had tackled this problem from its most complicated angle and that this had led to the present *impasse*. It was also known that the French were not all agreed amongst themselves as to whether they wanted the Eastern Pact or no.

Herr von Ribbentrop said that, judging from his knowledge of the situation, Russian influence in France was very strong. The French had long been trying to get the Locarno guarantees strengthened by Britain. Now that this was within their grasp, they were allow-

ing Russian influence to hinder them in the realization of their desire.

Reich Minister Göring seized upon Foreign Minister Beck's emphatic statement, in connection with the possibility of Poland's taking part in the preliminary discussions on the Danubian Pact, that such participation would in no circumstances be anti-German in spirit. We were convinced that this was the case, but the French were nonetheless endeavouring to create the opposite impression.

Foreign Minister von Neurath recalled that Germany too had agreed to the principle of the non-interference pact.

Foreign Minister Beck replied that he found the idea of the Danubian Pact interesting as an attempt to find a more logical framework for this part of Europe. It was well known that ideas for the creation of spheres of interest in these regions had been put forward before.

The Reich Chancellor considered that the Danubian Pact would be brought to failure by its own inner contradiction; for outwardly it purported to secure the integrity of the States concerned, whilst inwardly, e.g. in Austria, it attempted to safeguard the results of interference from outside.

Foreign Minister Beck replied that the decisive considerations for Poland were determined by the existing differences between the Little Entente, Bulgaria and Hungary. The pact could only be important to Poland in the measure in which it changed the present situation by remedying existing discords; the decisive factor would be Hungary's situation as a result of the pact.

The Reich Chancellor added that the pact was designed to afford guarantees of non-intervention generally. But if for example Austria, once she was free from all interference, were to recall the Habsburgs, the first consequence would be that there would be placed in high authority a person whose naïve concern, indeed whose sacred purpose, was completely to upset the existing situation. These endeavours, which in themselves would perhaps not be very serious, could be rendered much more dangerous by the machinations of the Vatican if the advantages of a State rendered immune to disintegrating influences by virtue of its catholic confession were then to be propagated with the public. This was a reason for Germany, and for other States, to oppose a restoration of the Habsburgs. The Rome Pact must fail because it was a mixture of the possible and the impossible. The German-Polish agreement⁷ seemed to him, for precisely this reason, to be one of the wisest of the recent agreements, because it avoided all such difficulties as were not yet capable of solution and included only the things which were practicable. All contractual agreements should be based on the principle that it takes two to do business. There were in the world nations that were satiated and

⁷ Of Jan. 26, 1934; see vol. II of this Series, document No. 219.

other nations whose needs were not properly satisfied. But he would fail to understand it, if those of the second category should hinder each other in improving their condition, thus making it easier for the sated nations to keep the less fortunate nations in their unfavourable situation. He closed the discussion with a brief disquisition on the colonial problem, where we were asking England, not to give us part of her possessions, but merely to return to us the territories which once were ours. For this reason he had taken the precaution of stating our claim in principle, which we could of course only expect to be met once England wanted something from us.⁸

⁸ German Diplomatic Missions were informed of Beck's conversations in Berlin by a circular telegram or cipher letter of July 4 (5752/H038827-29) and by despatch IV Ru. 2662 (later renumbered IV Po. 4704) of July 10 (5752/H038889-92). From these it appears that some points were discussed in conversations of which no direct record has been found in the Foreign Ministry archives. The concluding paragraph of the despatch of July 10 reads: "The Air Pact and the League of Nations were mentioned only briefly. In view of the insignificance of the Polish fleet, naval questions were not brought up at all. The situation in Danzig and the difficulties which have arisen through the devaluation of the Gulden and the introduction of foreign exchange control were discussed in detail. Our point of view, namely that the present Danzig emergency must not be misused politically, was accepted without contradiction. There was unanimity that conditions in Danzig must not be allowed to affect German-Polish relations adversely, and that the present difficulties in Danzig must, in view of their local significance and their general nature, be settled by means of negotiations on the spot on the basis of purely economic considerations. Furthermore, some questions relating to the Upper Silesian minority were discussed, and here also the conviction was expressed that the difficulties must be overcome by mutual agreement, without causing any political tension. The economic questions which are at present the subject of negotiations with the Polish [trade] delegation were not gone into any further. The mutual desire that the economic questions should find a satisfactory solution was emphasized, and it was also stated that the cultural *rapprochement* should be further promoted." See also document No. 192.

No. 191

9379/E664374-78

The Minister in Yugoslavia to the Foreign Ministry

1367 Po. 5 Ju.

BELGRADE, July 3, 1935.

Received July 5.

II Balk. 1574 Js.

POLITICAL REPORT

Subject: The international significance of the Cabinet changes in Yugoslavia.

I have already pointed out, in my report 1354 Po. 5 Ju. of July 2¹ on the causes and consequences of the Cabinet changes in Yugoslavia, that the substitution of the Stojadinović Cabinet for the Jevtić Cabinet is almost exclusively due to internal causes. Moreover, as you are aware from my previous reports, the basic principles

¹ Not printed (9379/E664366-73); see document No. 175, footnote 5.

of Yugoslavia's foreign policy are still to this day governed to such an extent by certain factors connected with the creation of the State and its post-war development that in no circumstances can any sensational modifications in the country's foreign policy be expected to result from changes in a Yugoslav Cabinet.

That the fall of the Jevtić Cabinet and the assumption by the new Minister President of the direction of his country's foreign policy should have evoked not only lively interest but, according to first-hand information given me here confidentially, even agitation bordering on panic, especially in the countries which are primarily interested, namely France, Rumania and Czechoslovakia, was due, on the one hand to the recent steadily growing distrust with which these countries view Yugoslavia's aspirations, already discernible in the late King's policy, towards independence in her foreign policy, and on the other hand to the uneasy feeling that, unlike his predecessor, the new Minister President and Foreign Minister's achievements in foreign affairs have not as yet been such as to allow of a reliable opinion being based on them.

The distrust in which, for about a year now, Paris, Prague and Bucharest have held Yugoslavia's foreign policy, is, in the first place, clearly a result of all the events which have seemed proof of some degree of *rapprochement* between Yugoslavia and Germany. From the conclusion of the German-Yugoslav Commercial Treaty² to Minister President Göring's visits,³ these events have time and again caused deep mistrust amongst Yugoslavia's allies, a mistrust which they have frequently manifested in the most tactless manner. To this must be added that developments in the general European situation, particularly of late, were bound to alienate Yugoslavia from her allies. The nervous haste in which France pursued a *rapprochement* with Italy and Russia, the divergencies of opinion in assessing the Austrian problem, and, last but not least, the impact of Germany's resurgence in power politics, have given increased actuality to the question of whether the moment for a readjustment of Yugoslavia's policy is not approaching.

As long as Jevtić held the reins of Yugoslav foreign policy, Paris and the capitals of the Little Entente tried to console themselves over these matters with the certainty that they knew the man in charge of Yugoslavia's foreign policy extremely well from long years of co-operation and that, in view of his cautious nature, they need fear no real attempt to depart from Yugoslavia's traditional foreign policy. It was also known that Jevtić was compelled to make up as far as possible for his lack of authority at home by laying stress on his close

² Of May 1, 1934; see vol. II of this Series, document No. 318, footnote 5.

³ Göring visited Belgrade in October 1934 to attend the funeral of King Alexander (see vol. III of this Series, *passim*), and in May 1935 during his tour of South East Europe (see documents Nos. 91 and 93).

relations with the statesmen of France and the Little Entente. Thus, during the Government crisis, which, after the meeting of the newly elected Skupština, Jevtić saw to be imminent, he somewhat clumsily demonstrated his indispensability in foreign affairs by simultaneously convening a meeting of the Council of the Little Entente and accepting an official invitation to go to Paris. In the circumstances, his sudden fall at that moment and the personality of his successor were bound to cause the greatest disquiet in the allies' camp. For, as Finance Minister in the Jevtić Cabinet, Stojadinović had already adopted a number of measures in the financial field which were quite in line with a deliberate breakaway from the overpowering influence of France's financial policy, and had caused great annoyance in Paris. Nor had the French remained unaware that Stojadinović was a convinced supporter of economic cooperation between Yugoslavia and Germany and was also adapting his political conceptions to these his country's economic needs. When, therefore, the Minister President and Foreign Minister postponed for a considerable time the meeting of the Little Entente on the pretext of pressure of work on internal questions, and also dealt in dilatory fashion with the urgent invitation which he immediately received from Paris, this may have been taken in Paris and Prague as confirmation of the disquiet caused by the Cabinet changes in Belgrade.

Although the disquiet amongst Yugoslavia's allies is exaggerated, it is not altogether unfounded, for Yugoslavia's new Foreign Minister is a man who is undoubtedly resolved to conduct his country's foreign policy purely from the point of view of Yugoslav interests, and who will do all he can to prevent his country from being made use of for the benefit of foreign interests. Indeed, he sees it as his main task to strengthen Yugoslavia internally and to resuscitate her economy, and he knows that he needs peace in foreign affairs to achieve this task. He will not therefore in the immediate future disturb his country's accepted commitments, and he will avoid any action that might cause other countries to disturb him in the pursuance of these internal aims. But at the same time he will always try cautiously to promote the independence of his country's foreign policy and, wherever possible, to consolidate his country's relations with those States on which it is primarily dependent economically.

From the German point of view we can only welcome these political proclivities of the new Yugoslav Minister President's. They are the more valuable since they fully accord with the Prince Regent's views and in many respects also with the wishes of the Yugoslav Army.⁴

V. HEEREN

⁴ Marginal notes: (i) "[For the] R[eich] C[hancellor]. v. N[eurath], July 6." (ii) "The Führer is informed. L[ammers], July 11."

[EDITORS' NOTE: On July 4, 1935, the Austrian Federal Diet passed a law repealing the banishment of the Habsburgs and restoring part of their confiscated property, thus modifying the enactments of April 13, 1919, and October 30, 1919, whereby the Habsburgs were excluded from the throne and exiled from Austria, whilst their property was confiscated. For the text see *Bundesgesetzblatt*, 1935, p. 1355.]

No. 192

4602/E190180

Memorandum by the State Secretary

BERLIN, July 4, 1935.

[W IV Po. 4685.]¹

When he called on the Reich Foreign Minister today, Foreign Minister Beck most pressinglly requested that the matter of the outstanding German payments for railway dues² should be settled as quickly as possible and that care should be taken to ensure that they did not attain such critical proportions again. He pointed out the great importance attaching to these payments both politically and in respect of Poland's internal affairs, an importance going far beyond merely budgetary significance. Since payments had been stopped about two weeks ago Germany's debts had reached their highest level yet of 22 millions.

In this connection Ambassador Lipski, with Beck's approval, pointed out that it was not possible to link these payments with the negotiations on a trade agreement³ by including them in the trade balance, in the first place because of the clear legal position about them and in the second because of the possibility that other countries might demand similar treatment.

The Reich Foreign Minister requests that the necessary action be taken.⁴ A further energetic letter to Reich Minister Schacht might be considered⁵ and, should this fail to produce satisfactory results, the Führer and Chancellor could be appealed to for a decision.

BÜLOW

¹ Taken from the copy forwarded to Warsaw on July 16 (9172/E645139-40).

² See vol. III of this Series, documents Nos. 419 with footnote 1 thereto and 561, and this volume, document No. 53.

³ For the antecedents of these negotiations see document No. 53 and footnotes 3 and 6 thereto. The negotiations opened in Berlin on June 28, 1935. A memorandum by Counsellor of Embassy Hemmen of July 2 on the situation following the first discussions is not printed (5643/H000795-96). See also document No. 217.

⁴ This sentence has been underlined in Bülow's red crayon and a marginal note reads: "Done. B[ülow], July 18."

⁵ No such letter has been found, but see also document No. 204.

No. 193

7790/E560285-87

The Naval Attaché in Great Britain to the Commander in Chief of the Navy and the Foreign Ministry

Mar. No. 509

LONDON, July 4, 1935.

SK 197 geh.

Subject: German-British discussions; "Memorandum Explanatory of the Points left for future Discussion after the Anglo-German Naval Conversations".

A. Twenty copies of a "Memorandum Explanatory of the Points left for future Discussion after the Anglo-German Naval Conversations"¹ were handed to me today at the Admiralty by Captain Danckwerts on behalf of the British Government.

The contents of this Memorandum relate to Part II of the "Summary"² which was handed by the British to the German Delegation on the last day of the naval discussions, could not be examined by the German Delegation at the time, and consequently was not signed. At my suggestion the British proposal contained in Part II as it then was has been revised by the British side and it is now set down in detailed form. I was told that this was a British proposal to which we would be quite free to put German counter proposals.

Re Paragraph 3, the following observation was made: The British building programme cannot of course even now be determined in full detail (this applies to the figures also) because the British are still dependent on the plans of other Powers as they may come to be discussed at the forthcoming conference.

In the case of "Capital Ships"³ the maximum and minimum of actual British tonnages are to be regarded as:

(a) 504,000 tons maximum,

(b) 477,300 tons minimum.

Re (a): In 1942 it would be possible at best to have completed⁴ 5 new ships of 35,000 tons, so that the fleet would consist of 5 new 35,000 ton ships and 10 old ships.

The completion of 5 new ships in the period 1936-1942 is regarded as the maximum building capacity which is at all probable, taking the biggest ships and the maximum figures. In the case of minimum tonnage, (b) above, it is planned to lay down one new ship a year, with the expectation of completing 3 new constructions by 1942.

¹ The title is in English in the original; one of these copies, which were forwarded under cover of Mar. No. 509/II of July 5 (7790/E560289), has been included, for the convenience of the reader, as the enclosure to the document here printed.

² The word "Summary" is in English in the original; see document No. 165, Appendix 2.

³ In English in the original.

⁴ In the original the word "completed", in English, is set in brackets alongside the German.

For the present the British have adhered to the figure of 15. It is not their intention to exceed this figure, but it would depend on whether Japan or France perhaps retained their old ships and built new ones in addition. If the British have any intention of making any alteration, they will inform us on each occasion, as stated in the last sentence of Paragraph 2.

As regards Aircraft-Carriers,³ it should be noted that they have based their calculations on 5 ships of 22,000 tons, with a small surplus. In the case of submarines it is intended, as shown in Sheet B,⁵ to effect a reduction.

Re Paragraph 4: It should be observed that the word "strength"³ is here used in the sense of "fighting strength [*Kampfkraft*]", an interpretation which it is important for us to note, since the word "strength"³ is also used in Section 1 of the Agreement,³ but in another interpretation. I have already had some discussion on this point.

Re Paragraph 9: As already indicated in the last paragraph of Mar. No. 452 of June 25,⁶ there is still every possibility of fixing an earlier date for classing the post-war cruisers as over-age.⁷

Re Paragraph 14 ff.: My attention was drawn to the idea of using ships of the *Deutschland*⁸ class to make up the deficiency on Ship H.

B. I was informed at the Admiralty that no answer had been received to Great Britain's invitation to France to send a naval delegation for preliminary discussions like those held with us. It is however thought that matters will very soon progress on this point, since at a discussion on Friday the French Ambassador stated that he was perfectly willing to set things in motion.

WASSNER

7790/E560290-96

[Enclosure]

SECRET

MEMORANDUM EXPLANATORY OF THE POINTS LEFT FOR FUTURE DISCUSSION AFTER THE ANGLO-GERMAN NAVAL CONVERSATIONS

(Handed to the German Naval Attaché, Captain E. Wassner, on 4th July, 1935.)⁹

Calculation of the German 35% Ratio.

In the exchange of notes of 18th June¹⁰ it was agreed, as expressed in paragraph 2 (a) of Sir Samuel Hoare's note, that the German fleet should be calculated on 35% "of the aggregate tonnage of the naval forces as defined by treaty of the Members of the British Common-

⁵ See Annex to enclosure.

⁶ Not printed (2067/449104-05).

⁷ Marginal note in Capt. Ciliax's handwriting: "i.e., in less than fifteen years".

⁸ i.e., nominally of 10,000 tons; see document No. 165, footnote 6.

⁹ Marginal note: "For our reply see SK 230/35 geh." (document No. 273).

¹⁰ See document No. 156, enclosures 1 and 2.

wealth of Nations, or if there should in future be no treaty limitations of this tonnage, a percentage of 35 of the aggregate of the actual tonnage of the Members of the British Commonwealth of Nations''. There is now little possibility that a new treaty of the same kind as the London Naval Treaty, defining the aggregate tonnages of the British and other Navies, will be concluded. There will probably, therefore, be no treaty limitation of the British tonnage after December, 1936, and for the purpose of calculating her future fleet Germany will have to work on the actual tonnages of the British fleet.

2. The German representatives have informed us that Germany intends to complete the whole of her 35% of tonnage by the end of 1942. The under-age British Commonwealth fleet to which, subject to the building programmes of foreign Powers, it is intended to build was given to the German representatives on Sheet B (attached). In view of the date now given by the German representatives it is necessary to supplement Sheet B by some tonnage figures so that the German Admiralty can calculate what building programme will fulfil their intention of building up to 35% of the British strength by the end of 1942, and so that the German Admiralty shall not be calculating upon British figures which differ widely from those likely to be reached in 1942, thus causing a corresponding fluctuation of the German 35% quota. His Majesty's Government will communicate any alteration in these figures in due course when the future British building programme has been decided upon.

3. The figures given on Sheet B will not have been fully reached by 1942 in all categories, and some of the ships included in that table will still be over-age tonnage. It is proposed, therefore, to give now the tentative tonnage figures anticipated for the British Commonwealth Fleet at the end of 1942, including over-age and under-age figures together.

Table D

Capital Ships. 15 ships.

| | | <u>35%</u> |
|---|--------------|--------------|
| So far as can be foreseen at present, | | |
| if qualitative limit is 35,000 tons | | |
| the tonnage is not likely to exceed | 504,000 tons | 176,400 tons |
| If qualitative limit is 30,000 tons the | | |
| tonnage is not likely to be less than | 477,300 ,, | 167,055 ,, |

Cruisers.

| | | |
|-----------------------|-------------|--------------------------|
| 60 ships | 473,000 ,, | 185,550 ¹¹ ,, |
| made up of:— | | |
| Category A, 15 ships, | 146,300 ,, | 51,380 ,, |
| Category B, 45 ,, , | 326,200* ,, | 114,170 ,, |

* This tonnage figure is approximate, depending on which actual over-age ships are retained within this total and on the actual tonnage of the new ships to be constructed.

¹¹ Marginal note: "Typing error"; the figure has been corrected to read 165,550.

| | | |
|---------------------------|--------------|------------------------|
| <i>Aircraft Carriers.</i> | 111,950 tons | 39,147 tons |
| <i>Destroyers.</i> | 150,000 „ | 52,500 „ |
| <i>Submarines.</i> | 49,000 „ | 17,150 „ ¹² |

4. In the cruiser, aircraft carrier and destroyer categories some part of the tonnage, as stated above, will be over-age, whereas German building to 35 per cent. would acquire a tonnage all under-age. In this respect Germany would be gaining a temporary increase in strength¹³ beyond the strict 35 per cent. strength of the British fleet. This is an increase which will gradually be levelled out as the German fleet ages and is a factor which it is proposed to ignore.

5. If the figures in Table D above are compared with those on Sheet B, it will be seen that further slight reductions in aircraft carrier tonnage and considerable reduction in submarine tonnage are anticipated as the British replacement programme proceeds after 1942. If, therefore, Germany builds fully up to 35 per cent. of the figures given in Table D in all categories by the end of 1942, she might have to scrap ships subsequently, although they would be comparatively new, in order to avoid traversing the German Chancellor's declaration that the total tonnage of the German fleet should never exceed the 35 per cent. ratio.

Permanent Over-Age Tonnage.

6. In addition to the fleet given above, it is the intention to retain, if necessary, 10 over-age cruisers and 50,000 tons of over-age destroyers. These vessels will be permanently over-age, that is to say, they will never be replaced by new tonnage but only by other over-age tonnage in the course of time. The British Government regard this permanent over-age tonnage as being in a different category from the rest of the fleet. Had there been a prospect of concluding a quantitative agreement limiting the total tonnage of the British fleet by categories, it would have been their intention to exclude this permanently over-age tonnage from the limitable fleet.

7. In order that Germany shall acquire her full 35 per cent. ratio of the British fleet, it is necessary, if she thinks desirable, that she should have 35 per cent. of the permanent over-age tonnage as well. On account of its permanently over-age character, however, it would not appear reasonable to His Majesty's Government that Germany should build this extra quota in new ships. On the other hand, Germany has very little over-age tonnage at present existing or maturing before 1942, and some expedient must be adopted to enable Germany to acquire suitable tonnage to be included in this part of her quota.

¹² Marginal note in Capt. Ciliac's handwriting: "45 per cent is to be the basis of calculation for submarines".

¹³ Marginal note in Rear Admiral Guse's handwriting: "fighting strength [*Kampfkraft*]".

8. It is suggested that we might adopt special age limits for those cruisers and destroyers that Germany has already built under the restrictions of a previous treaty, thus permitting them to be classed as over-age and placed in the permanently over-age tonnage quota before they could otherwise be so classed.

9. The normal age limit for cruisers is 20 years. It is proposed to adopt 15 years for the German cruisers in question which would therefore be classed as over-age on the following dates:

| <i>Ship</i> | <i>Date of Completion</i> | <i>Date over-Age</i> |
|-------------|---------------------------|----------------------|
| EMDEN | 1925 | 1940 |
| KONIGSBERG | 1929 | 1944 |
| KARLSRUHE | 1929 | 1944 |
| KOLN | 1930 | 1945 |
| LEIPZIG | 1931 | 1946 |
| NUREMBERG | 1935 | 1950 |

10. Thus, by the end of 1942 Germany would have the EMDEN as part of her permanently over-age tonnage quota and by 1944 she would have 3 cruisers, which is approximately 35 per cent. of the 10 permanent over-age ships to be retained by the British Commonwealth.

11. As regards destroyers, it is proposed that a similar procedure should be adopted. The normal age limit for destroyers is 16 years: it is proposed to adopt 12 years for the German destroyers built under previous treaty restrictions. This would provide over-age tonnage as follows:

| <i>No. of Ships.</i> | <i>Date of Completion.</i> | <i>Date Over-age.</i> |
|----------------------|----------------------------|-----------------------|
| 1 | 1926 | 1938 |
| 3 | 1927 | 1939 |
| 4 | 1928 | 1940 |
| 4 | 1929 | 1941 |

Thus, by the end of 1942 Germany would have these 12 destroyers totalling 9,600 tons, as part of her permanently over-age category. The balance of 7,900 tons required to reach 17,500 tons, which represents 35 per cent. of the British 50,000 tons, could be made up out of the 14 old destroyers or torpedo boats that Germany already has.

12. The cruisers and destroyers thus classed prematurely as over-age could, of course, be replaced by new construction on the dates on which they are classed as over-age under this proposal, which would also meet the German claim for some compensation for the ships constructed under previous treaty restrictions.

DEUTSCHLAND CLASS.

13. The DEUTSCHLAND class also having been built under past treaty restrictions, Germany, it is understood, would like to replace them sooner than would be possible by the ordinary 26-year life rule of the capital ships. The British representatives agree that this should be effected and await exact proposals from the German Government as to the age at which they would like to scrap and replace these ships.

Capital Ship Adjustment.

14. The 3 DEUTSCHLANDS, the 2 ships D and E, and ship F of the German programme total 117,000 tons. After this construction, therefore, Germany may have in hand between 59,400 tons and 50,055 tons, according to the qualitative limit fixed, and the British building programme adopted. (See Table D above.) If, therefore, Germany builds a second 35,000 ton capital ship to match the second French ship, she may have between 24,400 and 15,055 tons remaining; thus she may be as much as 15,600 tons short of the tonnage required¹⁴ to build ship H to qualitative requirements.

15. It would not seem to the British representatives to be a reasonable proposal to provide this tonnage by "adjustment"—that is to say, that Germany should build the ships to the full qualitative limit without reduction in any other category, thus retaining, perhaps, 15,000 tons extra tonnage until the first of Germany's capital ships was scrapped—for the arrangement must last for so long a time as to be almost regarded as "permanent".

16. In the British view the capital ship category is by far the most important and an excess of tonnage in that category over the 35 per cent. ratio has a disproportionate effect. For this reason it is not, in the British view, a fair exchange to make up the deficiency from another category by a simple transfer of tonnage, and some sort of compensation might be desired for the increase of Germany's capital ship quota by a quantity equivalent to about half a ship.

17. It would be the British proposal that the tonnage required for the capital ship category should be found from the Cruiser A tonnage by transfer out of the 21,380 tons in that category which remains over after the construction of the 3 Cruisers A already announced by the German representatives, on the understanding that no more Cruisers A should be built by Germany, and that the tonnage remaining in the Cruiser A category after this transfer could be utilised in some other category.

18. It is pointed out that, in any event, if general agreement has been reached by 1937 not to build more ships of the Cruiser A type the tonnage referred to in the paragraph above could not be used for building ships in that category.

¹⁴ Marginal note: "35,000?"

[Annex]

SHEET "B"

The underage British Commonwealth fleet, to which, subject to the Building programmes of foreign powers, it is intended to build is:

| | |
|-------------------|--------------|
| Capital ships | 15 ships |
| Cruisers | 60 ships |
| Aircraft Carriers | 110,000 tons |
| Destroyers | 150,000 tons |
| Submarines | 40,000 tons |

No. 194

8040/E578280-84

The Ambassador in Italy to the Foreign Ministry

I 422

ROME, July 5, 1935.

Received July 6.

II It. 1048.

POLITICAL REPORT

Subject: Italian foreign policy.

With reference to my despatch I 376 of June 21.¹

The development of the Italian political "frame of mind" to which I drew attention in my last report has since become more pronounced; they [the Italians] emphasize, admittedly in fairly objective form, the sharp disagreement with Britain which at present appears to be almost irreconcilable; they draw steadily closer to France, who, offended with Britain over the London Naval Agreement, appears to be wholeheartedly in support of Italian policy in East Africa; and, half in sorrow, half in anger, Italians note a marked indifference on the part of Germany towards Italy. Germany appears to be betting on Britain, to be striving, in connection with the *carte blanche* which Britain has given her for rearmament, to reach an understanding with France on the basis of the new balance of power, and to be deliberately leaving Italy on one side. Italy would even today be very much inclined to refrain from any exclusive ties with France, if for her part Germany could give proof of the necessary goodwill towards Italy; Germany however would appear, and not for the first time, greatly to over-rate the reliability of Britain and to pursue (again in the manner of previous attempts) the dream of a direct understanding with France, although the latter is less than ever a good subject for such attempts since her agreement with Russia and the accession of Czechoslovakia to this alliance.

As regards the assessment of Germany, the true and the false are juxtaposed in this line of reasoning: "true" arguments are accom-

¹ Document No. 164.

panied by Italy's fears about too close a link with France and the dangerous consequences thereof as also by her endeavours to provide herself with an alibi *vis-à-vis* Germany for the *reapprochement* to France.

To give a clear picture I should like to sketch briefly in the following paragraphs the developments of recent months.

Italy's Abyssinian policy, as is well known, caused a serious rift in the newly-formed Stresa front the moment it became clear that Mussolini was in fact envisaging action on the grand scale. It appeared at first as if Italy were on one side of the rift and France and Britain on the other. Indeed there were even moments when it might have been thought that it was precisely between France and Italy that the divergence would become most acute. That was at the time when both the German-Italian *détente*, which found visible expression in the Führer's speech and was decisively furthered by this speech, as well as the Franco-Russian Agreement were already foreshadowing a possible estrangement between Paris and Rome. France, however, recognized the situation and the danger very quickly and, haunted as ever by the German *cauchemar*, very rapidly switched over to Italy. This was made very much easier for the French by the fact that on the other side Britain had, for a wide variety of motives, adopted a very critical attitude towards Italian policy in Abyssinia. The French, whose own interests there were in fact vitally affected and with whom considerations of League of Nations policy weighed just as heavily as with Britain, were thus conveniently able to allow the British to pull their chestnuts out of the fire and to offer themselves to the Italians as reliable friends. Thus the French sought systematically to outbid Germany's neutrality in the Abyssinian question by showing marked sympathy for Italy's action. This development received tremendous impetus from the Anglo-German Naval Agreement which caused acute dissatisfaction with Britain and redoubled fears of Germany in Paris, and thus automatically reinforced the efforts being made there to draw closer to Italy. In view of the general situation this could only be extremely welcome to the Italians.

Just as the Franco-Italian understanding of January 1935 was only made possible by the Austrian problem, so now an ideal platform was provided for France by Italy's indeed repressed but still lively fear of a German drive towards Austria. There is no longer any doubt that through Ambassador Chambrun (who returned to Rome for Eden's visit) France backed up the Italians, not only directly in the Abyssinian question, but especially indirectly through assurances with regard to possible cooperation in face of a possible German threat in Austria. The political aspect of the question was most effectively reinforced in the military sphere by the visit of General Gamelin to

Rome, regarding which I would draw attention to the report which the Military Attaché is despatching simultaneously.² I have repeatedly reported that at bottom the Italians are much less interested in the grand Danubian Conference than in being sure of Franco-Italian cooperation to frustrate German designs on Austria. Admittedly the British have tried a counter-move by suddenly, in contrast to their previous attitude, showing a more lively and direct interest in the Danubian Conference, to which the Italians could not but respond favourably. The important thing, however, is that, after being severely shaken, Franco-Italian intimacy has undoubtedly been restored as follows:

(1) France is observing a sympathetic attitude towards Italy over the Abyssinian question and leaving it to the British to raise the objections which are fundamentally of interest to France too.

(2) France is securing Italian cooperation in Central Europe by dangling the bogey of the German threat to Austria before Italy's eyes.

(3) Italy's primary need is to secure her rear in Europe in order to be free to pursue her East African policy. If she does not think she can obtain such security by an understanding with Germany she will enter into a close combination with France, although she is not unaware of the ensuing disadvantages for her own position, particularly in the South-East [of Europe].

In my opinion therefore we are faced with the immediate threat of a Franco-Italian front in Central Europe implicitly directed against us and supported by Russia and Czechoslovakia.

In my report referred to at the head of this despatch I have passed on the views of one of my confidants, since they are indicative of the feeling here and of the principles of Italian policy. They are valuable as a guide even though they may not appear to be of practical use at present. The political kaleidoscope is revolving today with astonishing speed: It is, for example, by no means possible to tell for certain how long the French will be able to go on undisturbed with the game, which I have described, of leaving the British to stand alone in the line of fire over the Abyssinian question. It seems to me therefore that, where German-Italian policy is concerned, the main thing at present would be to foster our ties with Rome to some extent, and, as far as possible, to prevent the Franco-Italian front from becoming firmly established. With this in view I would therefore like to revert to the suggestion, which I made at the end of my report under reference, that I be given the instructions there outlined with regard to the Naval Agreement, namely to make Italy feel, in accordance with the familiar recipe, that we are taking account of her and wish to cooperate with her. It may be that even now there will still be an opportunity of doing this.

HASELL

² Not printed (5609/E402316-20).

No. 195

3087/621856-57

Memorandum by the Foreign Minister

BERLIN, July 6, 1935.

RM 567.

The American Ambassador called on me today and asked, apparently on instructions from his Government, what was the import of our agreements with Britain on the naval question; whether we regarded these agreements purely as an arrangement confined to Britain and ourselves, or whether we were prepared to cooperate in a general limitation of naval forces.

I told the Ambassador, whose remarks were as usual extremely confused, that we had in the first instance wanted to settle our relations with Britain as regards the naval question, but that we hoped we had also made a far-reaching contribution to the general limitation of naval forces.

In the further course of conversation, Mr. Dodd came to speak of the Italo-Abyssinian conflict, and expressed the hope that it might be possible, by means of general pressure by all the signatories of the Kellogg Pact, to restrain the Italians from deciding their dispute with Abyssinia by force of arms. I asked Mr. Dodd whether his Government were suggesting that the Italians should be subjected to joint pressure by the signatories of the Kellogg Pact in Rome, or whether this was only his personal opinion. The Ambassador replied so vaguely that I am not certain whether or not he was under instructions to raise the question here. I told him that in any case it would be best if his Government made a corresponding *démarche* in France, since, according to present information, Paris did not appear to be greatly inclined to participate in joint action by the signatories of the Kellogg Pact.

The Ambassador finally asked whether we were prepared to participate in the Naval Conference in London. I confirmed this, subject to the condition that we should be expressly invited to do so.

v. N[EURATH]

No. 196

8753/E610743-45

The Embassy in Great Britain to the Foreign Ministry

A 2366

LONDON, July 6, 1935.

Received July 8.

V 9877.

Subject: Franco-Russian Assistance Pact.

Further to my telephone conversation¹ with State Secretary von

¹ In a memorandum of July 6 (2368/494165) Bülow recorded a telephone conversation at 11:45 a.m. that day with Hoesch concerning the British Note.

Bülow, I transmit the enclosed copy of the British Government's Note on the question of how the Franco-Russian Assistance Pact affects the Treaty of Locarno, which was delivered at the Embassy yesterday evening.²

By order:
BISMARCK

Enclosure³.

No. C 5027/55/18

FOREIGN OFFICE, S.W.1.
5th July, 1935.

YOUR EXCELLENCY: I have the honour to refer to the memorandum⁴ which Your Excellency was so good as to hand to my predecessor on May 29th, and in which were set forth various considerations regarding the manner in which the Treaty of Locarno was, in the view of the German Government, affected by the terms of the Franco-Soviet Pact of May 2nd. Since then His Majesty's Government in the United Kingdom have had cognisance of the note which the French Government communicated to the German Government on June 25th⁵ in reply to this same memorandum.

2. His Majesty's Government are in entire agreement with the views expressed and the arguments used by the French Government in this note, and after further consideration of the points made by the German Government they are satisfied that there is nothing in the Franco-Soviet Treaty which either conflicts with the Locarno Treaty or modifies its operation in any way. They likewise agree with the French and German Governments in holding that the provisions of the Locarno Treaty cannot legally be modified or defined by the fact that a treaty had been concluded with a third party by one of the signatories.

3. I would also observe in this connexion that under the Treaty of Locarno the United Kingdom, as one of the guarantors of that treaty, has the right and duty of deciding, subject to the findings and the recommendations of the Council of the League of Nations, when and whether the circumstances are such as call its guarantee into operation, and that this right and duty cannot be affected or altered by the act of another signatory to the treaty.

4. I venture to express the hope that after examining the views thus set forth in the French note of June 25th and in this present communication the German Government will recognise that the rights

² In a memorandum of July 6 (2368/494163-64) Bülow recorded a conversation with the British Chargé d'Affaires at noon that day, when the latter showed him the telegraphed text of the British Note. A copy of the Note was sent to the Foreign Ministry by the British Embassy under cover of a letter from Newton to Bülow of July 6 (8753/E610746-48).

³ The text of this enclosure is in English in the original.

⁴ Document No. 107, enclosure.

⁵ Document No. 170.

and duties of the signatories of the Treaty of Locarno, including those of Germany, have in no way been prejudiced or modified by the conclusion of the Franco-Soviet Treaty.⁶

I have the honour to be, etc.

SAMUEL HOARE

⁶ A German translation of this Note (8766/E611077-78) is marked: "The Führer is informed. L[ammers], July 16."

No. 197

6114/E454373-74

*Ministerialdirektor Köpke to Ambassador Hassell*¹

BERLIN, July 8, 1935.

zu II Oe. 1765.²

DEAR HASSELL: With reference to the question raised in your letter of June 19,² which was late in arriving, regarding our attitude towards Austria, I do not wish to go further into this matter today, as it is at the moment entirely fluid. Herr von Papen, as you will be aware, was here in the middle of last week to report orally and on this occasion he had a detailed discussion with the Führer,³ the Foreign Minister, and ourselves, when he put forward the idea of furthering the understanding between Austria and ourselves through conversations with the Federal Chancellor and perhaps with Starhemberg too. Herr von Papen did not, however, have any very positive suggestions to make, which is not surprising in view of the considerable confusion and disunity which still prevail in Austria even today. In my view the disagreement with Germany constitutes the only more or less solid basis upon which the present Austrian Government can conduct their domestic and foreign policy. Herr von Papen informed us that the Führer had permitted him to continue his conversations with the Austrians on an informal basis. The Führer, however, repeatedly emphasized to Herr von Papen that we have no intention of entering into discussions with Italy now about [Austria]. With regard to our attitude towards Italy, I would draw your attention to the [Foreign] Minister's letter to you of June 24,⁴ in which Herr von [Neurath] stated his views in principle on the proposals contained in your report of June 21.⁵ The [Führer's] above-mentioned instructions to Herr von Papen were also governed by a further point which is of decisive importance, namely that at present nothing should be done which would be [calculated] to bring the Austrian problem into the limelight. All this of course will not prevent Herr von Papen from

¹ The right-hand edge of this document has been damaged by fire. The words printed in square brackets are either wholly or partially missing from the document.

² In his letter of June 19 (6114/E454371-72) Hassell asked about the sequel to Papen's conversation with Schuschnigg, reported in document No. 111.

³ No record of these conversations has been found.

⁴ Document No. 166.

⁵ Document No. 164.

suggesting [...ly] to the Austrians on his own responsibility, as before,⁶ that they keep Rome informed of the conversations.

Herr von Papen told us shortly before his [departure] that he had already asked to see both the Federal Chancellor and the Vice Chancellor in Vienna in the middle or at the end of this week in order to continue the conversations. As [soon as] we know the result of these conversations I shall see to it that you are informed without delay.

The Foreign Minister and the State Secretary, [with whose] approval I write these lines, send you their greetings.

Yours, etc.,

KÖPKE

⁶ See document No. 111.

No. 198

8656/E606035-36

The Minister in Yugoslavia to the Foreign Ministry

Telegram

No. 60 of July 8

BELGRADE, July 8, 1935—8:40 p.m.

Received July 9—1:00 a.m.

[II Oe. 1784.]¹

The Minister President² asked me today what Germany's attitude would be in the event of a Habsburg restoration in Austria. The matter was causing him anxiety as he was convinced that such plans were being entertained by the present Austrian Government, who were expecting no action from Rome and apparently no serious opposition of any kind from Prague.

In reply, I repeatedly emphasized to the Minister President that I was as yet without instructions concerning the recent events in Austria,³ but my personal opinion was that our attitude would depend on the circumstances accompanying any restoration. Our principle was one of non-interference in Austria's internal affairs. We would therefore respect the results of an unexceptionable plebiscite, but we would be against the imposition on the German people in Austria of any régime desired by Rome or Prague⁴ as a bulwark against the *Anschluss*. The key to the situation most probably lay in Rome;⁵ if they were to listen there [*sic* ? in Austria] to Rome and Prague on this question, which was of vital importance to Yugoslavia, there would be no stopping the present Austrian Government from proceeding to an attempt at a restoration.

¹ Taken from another copy (8656/E606033-34).

² Milan Stojadinović.

³ See Editors' Note, p. 410.

⁴ The copy of the telegram here printed was the copy sent to Neurath. The word "Prague" which is marked as doubtful has been amended to "Paris?" in Neurath's handwriting.

⁵ On the other copy (see footnote 1 above) the word "Rome" has been queried by hand to read "Paris?"

The Minister President repeatedly expressed his approval of this view and asked me to keep in touch with him on the question. He mentioned in this connection that the Prince Regent intended shortly to visit King Carol in . . . (group missing) [Sinaia]. I suggest that I be sent telegraphic instructions as to the language I am to hold.⁶

HEEREN

⁶ Marginal note: "Our principle is non-interference. But we do not want there to be any doubt that a restoration would be highly unwelcome to us, too. v. N[eurath], July 9." In telegram No. 44 of July 10 (8656/E606039/1-2) Heeren was given instructions on language to be held in the sense of this marginal note. On July 11 copies of this exchange of telegrams were sent—as II Oe. 1784 Ang. II—to the Missions in Rome, Paris, London, Warsaw, Madrid, Prague, Budapest, Bucharest, Vienna, Sofia, Brussels and Berne, together with copies of an article (which also went to the Legation in Bel grade) in the *Deutsche diplomatisch-politische Korrespondenz* of July 9 (8656/E606037-39) on the political effects of the Austrian law of July 4 (8656/E606039/3-4).

No. 199

7468/H183229-30

The Foreign Minister to the Embassy in Italy

Telegram

MOST URGENT

BERLIN, July 9, 1935—8:00 p.m.

No. 147

e.o. II R 1665.

With reference to your report I 422 of July 5.¹

I agree that, as proposed, you should raise the subject of the German-British Naval Agreement with the Italian Government. A suitable lead-in may perhaps be provided by the publication today² of our building programme for 1935 which, moreover, was already communicated to the Italian Naval Attaché here on July 1.³ You should begin by saying that, as parties to the Washington Convention, the British undertook with our consent to inform the other major naval Powers of the contents of this Agreement before signature, and that the Italian Government are thereby aware of it as such, as well as by the subsequent publication of the text of the Agreement. You might say by way of explanation that both we and the British consider that one of the most essential aims of the Agreement is to prepare for and facilitate a general settlement of questions of naval armaments. Naturally we are fully aware that the rights of other naval Powers will not be affected by the Agreement. We regard the Agreement as representing considerable progress in the direction of a realistic settlement of the armaments problem such as Mussolini has always had in view and such as is so urgently necessary in the interests of that consolidation of political relations in Europe for which he in particular has striven. Italian naval interests will not be affected by

¹ Document No. 194.

² The German naval building programme for 1935 was published on the evening of July 8; see *The Times* of July 9, 1935.

³ See document No. 182, footnote 3.

the Agreement. We therefore hope that the Italian Government's attitude towards it will be favourable. In any case we have noted with gratitude that, in pleasing contrast to the ill-considered furore in the French press, the Italian press has dealt with the Naval Agreement calmly and objectively.

NEURATH

No. 200

6695/H103589-92

The State Secretary to the Legation in Latvia

Telegram

No. 45

BERLIN, July 9, 1935—9:50 p.m.
e.o. IV Ru. 2659.

With reference to your telegram No. 38 of July 8.¹

You should call on M. Munters immediately and, in continuation of the conversation at your house, have a discussion with him about the Eastern Pact. You should proceed from the premiss that Munters' views on the Eastern Pact do not accord with the actual facts. Barthou's project is no longer relevant; neither Poland nor Germany will conclude any kind of mutual assistance pact. You should treat the declarations made to Simon in Berlin² and the Stresa declaration³ non-committally, saying that they refer merely to factors which would be of practical use and which would contribute towards the general pacification of Europe. Since then, the political situation has been radically altered by the Franco-Russian and Russian-Czechoslovak Treaties of Alliance. We are determined not to conclude any collective treaties or to enter into any other agreement which might in any way either recognize these alliances, or vitiate the agreements which Germany has so far concluded with other Governments. During conversations with Beck about German-Polish relations, this point of view has already been recognized as being basic to relations between the two countries. Nevertheless, we do not in principle refuse to hold discussions about an Eastern Pact, but there

¹ This telegram (6695/H103587) reads as follows: "At a dinner I gave yesterday on the occasion of the visit of Ministers Zechlin and Reinebeck, Secretary General Munter[s] again came to speak of the question of the Eastern Pact. He confirmed that no resolution had been passed at the Ambassadors' Conference [see document No. 208, footnote 2] about an agreement with Russia. Munter[s] again explained how desirable would be an initiative on Germany's part designed to prevent Latvia from being compelled to conclude a pact with Russia on the model of the Czech-Russian agreement. He particularly emphasized that sooner or later Latvia must come to a decision on this question in order to associate herself with the security system and/or the consultative [system] linked to it. We controverted these views with the usual arguments and we drew particular attention to Germany's peaceful intentions. Nevertheless it is worthy of note that, in spite of this, Munter[s] constantly returns, and this time with marked emphasis, to the possibility of the Baltic States joining the Russo-French security system."

² See vol. III of this Series, documents Nos. 555 and 564.

³ See document No. 29.

will be a series of preliminary questions requiring to be cleared up, as for instance the concept of a "region", which again gives rise to the question of which issues would lend themselves to a regional solution and what, in general, would, for instance, belong in the European Pact.

If Munters should bring up the latest French proposal to Germany,⁴ you should reply that this contains nothing but a list of the subjects which were mentioned to Simon in Berlin as being suitable for discussion. In particular you should add that bilateral non-aggression undertakings are quite easy to bring into being, but that when it is a matter of collective treaties they are more difficult to realize, except in the form of an extended Kellogg Pact,⁵ if the latter is not to be vitiated. As regards the peaceful settlement of disputes, we envisage treaties providing for arbitration tribunals and arbitration procedure; such treaties, if bilateral, would of course be more feasible and more effective. Should Munters express the desire to conclude a treaty of this kind with Germany, you should declare that, although you have no instructions, it is in your view unlikely that there would be any difficulties. I may recall that the German-Swiss Arbitration Treaty has at the moment been invoked in the Jacob Salomon case⁶ which is, politically speaking, a very delicate one. In view of the existence of the General Consultation Pact of 1932,⁷ the time for expanding consultation will only come when it is seen what remains of the League of Nations, once the Abyssinian conflict is ended. After all, the non-support of the aggressor is a point which scarcely lends itself to inclusion in regional agreements but which, on the contrary, requires a general settlement or at least one on a European scale. The above analysis shows that the pre-conditions for the Eastern Pact have not as yet been sufficiently clarified and that, like the question of who is to participate, they require further study and discussion (without Latvia).

You should discuss the above points orally with Munters without going into too much detail and should again state that Germany has no aggressive intentions whatsoever with regard to the Baltic States and, in particular, Latvia, but you should at the same time point out the risks which Latvia would be running were she to go over altogether to the Franco-Russian camp.

⁴ See document No. 170.

⁵ i.e., the Treaty for the Renunciation of War as an Instrument of National Policy, signed at Paris on Aug. 27, 1928 (for the text see League of Nations: *Treaty Series*, vol. xciv, pp. 57-64).

⁶ See document No. 125, footnote 3.

⁷ The reference is to the Anglo-French Declaration regarding Future European Cooperation of July 13, 1932 (for the text see British White Paper, Cmd. 4131 of 1932: *Declaration issued by His Majesty's Government in the United Kingdom and the French Government regarding Future European Cooperation, July 13, 1932* (London, H.M. Stationery Office), to which Germany and many other European countries subsequently adhered.

You should conduct the conversation in such a way that it gives the Latvians certain positive prospects and prevents them from taking precipitate decisions about aligning themselves with the Soviet front, but on the other hand you should not commit us to anything, apart from stating our willingness to enter into a treaty of arbitration.⁸

BÜLOW⁹

⁸ Schack reported in telegram No. 41 of July 11 (6695/H103667-68) that he had that day carried out his instructions.

⁹ The document here printed and Schack's telegram of July 8 (see footnote 1 above) were sent by Meyer to Warsaw on July 11 (6695/H103588), with the following instructions: "You should call on M. Beck as soon as possible and endeavour to get Poland to exert her influence on the Baltic States to prevent their going over to the Russian front." In despatch No. 914 of July 13 (6695/H103674-78) Moltke reported that he had carried out these instructions, as well as those given him orally, with Beck that same day.

No. 201

7846/E569321-25

The Ambassador in Great Britain to the Foreign Ministry

A 2388

LONDON, July 9, 1935.

Received July 11.

II R 1685.

Subject: Western Air Pact.

With reference to your instructions II R 1600 of July 5.¹

In accordance with the instructions contained in your despatch under reference, I today informed Sir Robert Vansittart in confidence of M. François-Poncet's suggestion that we should now communicate our draft Air Pact to the French Government and ask them for the French draft, and added, as my own suggestion, that the British Government could now forward our draft to the French Government and/or communicate to all Governments concerned such drafts as are now available.

Before reporting further on this conversation I should like to point out, for the sake of clarity, that the attitude to our draft Air Pact which Sir John Simon adopted during our talks on May 28 and 29² cannot be regarded as a formal promise to forward it, any more than Sir John's impromptu suggestions for emendations can be regarded as a detailed and definitive statement of the British Government's views on our draft. In both respects the former Foreign Secretary's remarks must be regarded as having been made subject to closer examination and to consultation with the whole Cabinet. The change of Ministers which has meanwhile taken place³ still further reduces the importance of Sir John Simon's views.

¹ See document No. 186, footnote 6.

² See documents Nos. 113 and 117.

³ On June 7 Baldwin succeeded MacDonald as Prime Minister and Sir Samuel Hoare succeeded Sir John Simon as Foreign Secretary.

Nevertheless, I referred, during my conversation with Sir Robert Vansittart, to these discussions with Sir John and reminded him that the communication of our draft in London had been the result of a twice-repeated British suggestion, which should after all make it incumbent upon the British Government to see that something was now done about the draft. It would seem to me, I continued, that the most practical course would be for the British Government to assemble all the drafts communicated to them, and their own proposals, in one document, and forward this to all the interested Powers.

Sir Robert thought this was a worthwhile idea and promised to discuss it with Sir Samuel Hoare.

The conversation then turned of its own accord to the Air Pact question as a whole and, as usual, very quickly led on to the Eastern Pact. Sir Robert explained that the British Government of course still wanted the Air Pact to be concluded soon and were continuing to work in this sense in Paris. They had, however, been forced to conclude that it would not at present be possible to persuade the French to conclude the Air Pact separately in advance. Even if Laval himself could be induced to agree to concluding the Pact in advance, he would not be able to get the Cabinet and public opinion to accept it. Britain, as was well known, had for the time being weakened her position in Paris by signing the Anglo-German Naval Agreement.⁴ If she were now to try to exert increased pressure on France over the Air Pact question, the French, who were already accusing the British of wanting to satisfy their own interests before anyone else's, would only become more obstinate. He was convinced that the Anglo-German Naval Agreement was a good and a practical agreement; he had from the start advocated its conclusion and he was defending it both at home and abroad on every occasion that offered, and with complete conviction. On the other hand he was also well aware of how strongly the French felt even now about Britain's so-called egoism. In these circumstances the important thing was to take the facts into account, and the facts indicated that only a positive attitude towards the Eastern Pact on Germany's part could prepare the way for the Air Pact.

I then expatiated once again on the complete senselessness of the Eastern Pact project, especially in view of the anti-German treaties of alliance between Russia on the one hand and France and Czechoslovakia on the other, and found that Vansittart too entertained that fundamental sympathy for our objections which one generally finds here once one has explained the position in detail. Nonetheless, Sir Robert insisted that it was extremely desirable that Germany should adopt a positive attitude to the Eastern Pact, and pointed out that an

⁴ Document No. 156.

Eastern Pact on the familiar lines now being discussed would take the sting out of the existing treaties of alliance and would soon make them worthless. He mentioned that even in France not much was thought of the alliance with Russia and that Laval had concluded it more with a view to pacifying French public opinion than because he really trusted Russia.

A discussion I recently had with Sir Samuel Hoare over dinner at my house was on similar lines; the Foreign Secretary said that he was convinced that in the next few months, when the adjournment of parliament would to some extent give Laval a free hand, practical results in the matter of securing peace would have to be achieved if one were not to be faced with new difficulties in the autumn when Laval would once more be struggling with parliament or when he might already have disappeared. Sir Samuel then explained, much as Vansittart had done, that in view of the French attitude it appeared impossible to conclude the Air Pact, desired both by England and Germany, in advance. At first he spoke of the necessity of dealing with and completing the whole February 3 programme⁵ simultaneously; but, after a more detailed discussion, he finally gave it as his opinion that, in the last analysis, the Eastern Pact was the real basis for a successful continuation of international discussions and especially for the Air Pact.

HOESCH

⁵ i.e., the Joint Anglo-French Declaration of Feb. 3, 1935; see document No. 46, footnote 3.

No. 202

5737/H029360-68

Ambassador Hassell to Ministerialdirektor Köpke

ROME, July 10, 1935.

II It. 1077.

DEAR KÖPKE: Thank you for your kind note of July 8,¹ the contents of which I found most interesting. I too think there is good reason for the instructions that nothing should at present be done which might be calculated to bring the Austrian question to the fore. And in any case they accord with the attitude prevailing here, in so far as, because of Italy's desire to safeguard her rear for the purposes of her East African policy, Rome does not want the Austrian question to become acute either. This does not, however, preclude the possibility that the Austrian question might, nevertheless, become prominent for some other reason, e.g. as a result of efforts to bring about a Habsburg restoration. In this general context an article by

¹ Document No. 197.

Gayda² on the preparations for a Danubian Pact, which has recently appeared in the world press (for instance in the *Zürcher Zeitung* of July 8, mid-day edition, No. 1193), is of particular interest. This article emphasizes the Italian efforts, which I myself have also repeatedly stressed in my reports, to represent the Danubian Pact as a French initiative, and makes it abundantly clear that for Italy the Franco-Italian agreement on the protection of Austria is of greater importance than the proposed Pact. This article further asserts, contrary to the official statements hitherto made by the Italians, that the Pact was intended to supplement, but not to invalidate the Franco-Italian agreement. I shall now be much interested to hear whether the Vienna conversations³ have come to anything.

As in your letter you mention von Neurath's communication of June 24,⁴ I should like to submit to you a short memorandum dealing with some of the points there referred to. I refrained from encumbering my report of July 5⁵ with it, nor did I refer to it in any detail to Herr von Neurath, as I had in fact drawn up the memorandum purely for my own use. Its contents may, however, be of interest to you and I am therefore enclosing it.

I have just received the welcome telegram about the statement to be made to the Italians on the Naval Agreement.⁶ It is a bit late—but *nunca es tarde cuando llega!*⁷

Yours, etc.,

HASELL

[Enclosure]

ROME, July 9, 1935.

MEMORANDUM

The following objections have been raised to my report No. I 376 of June 21.⁸

(1) The Italians appeared to have forgotten the unprecedented abuse they poured upon us.

(2) My confidant's proposals were so much verbiage.

(3) The reason for Italy's attempts to "make it up" with us again lay in the predicament in which she found herself, and from which we had no good reason to extricate her too soon.

(4) We should be very willing to improve our relations, but the tempo depended entirely on Italy.

(1) The question which I wished to raise in my report and which I further dealt with in my report No. I 422 of July 5 last, is the follow-

² Virginio Gayda, editor of the *Giornale d'Italia*.

³ See document No. 203.

⁴ Document No. 166.

⁵ Document No. 194.

⁶ Document No. 199.

⁷ "It is never late when it does arrive." This last paragraph is in Hassell's handwriting.

⁸ Document No. 164.

ing: Does the current situation make it possible and—from the point of view of our interests—expedient to take advantage of the improved mood in German-Italian relations for practical political cooperation? I cannot in this connection feel that the, admittedly unprecedented, abuse in which the Italian press indulged after July 25⁹ is of such decisive importance for the attitude we are to adopt. It is, moreover, possible to say, *cum grano salis*, that “in the Italian fashion” the Italians themselves have in fact “forgotten” this abuse. McClure,¹⁰ who has known Italy for years, said to me recently: “The Italians are different from us. If you have had a row with an Italian and he has completely flown off the handle, he will greet you next morning as if nothing had happened and will not in the least understand why one should be a bit chilly; after all, he feels, we have had it out with each other.” During the last few weeks the British themselves have had to endure attacks, cartoons, and so on, which were quite equal to any levelled against us. They have hardly reacted at all, but have treated the whole thing with contempt, nor did it prevent them from starting where they left off and even sending Eden, the very man who had been most abused, to Rome. That this attempt was bungled and therefore proved—for the time being at least—unsuccessful, is another matter.

(2) The danger with which we are now faced, is—as I have set forth more fully in my report of July 5—the formation of a Franco-Italian front, which would be sure of Russian and Czech support, at least against us.

In my report, I by no means accepted as immediately practicable my confidant's suggestions with regard to the problem of what we, for our part, could do to obstruct the formation of a Franco-Italian front, but only described them as worthy of consideration. This indeed they are, in my opinion, because they are indicative of trends in Italian policy and may, therefore, perhaps give us some hints as to where to start.

I should like to add a few brief remarks concerning the various points which my confidant made:

(a) *Policy in the South East.* For eighteen months I have consistently been saying that we ought to come to an agreement in principle with the Italians on policy in the South East, beginning with Austria.¹¹ This has not been done; it has now, in fact, become much more difficult. In so far as the Austrian problem constitutes a disputed issue between Germany and Italy and an obstacle to a German-Italian agreement on the South East, the events of 1934 have created a most

⁹ July 25, 1934, was the date of the assassination of Dollfuss; see vol. III of this Series, documents Nos. 115 and 119. See also this volume, document No. 61.

¹⁰ Handwritten note in the original: “Has for years been British Press Attaché in Rome.”

¹¹ Marginal note in Köpke's handwriting: “How, pray?”

difficult situation, in which the only progress made (as the Italians themselves also admit) has been due to the Führer's speech.¹² For the moment the key to the problem, which once, perhaps, was to have been found in Rome, lies in Vienna, that is to say, there is at present no apparent possibility of really clearing up this question between Berlin and Rome until a certain *détente* between Berlin and Vienna has made itself felt. I do not think, incidentally, that my confidant meant to suggest that we should treat the Austrian question "from the point of view of territorial revision"; all he meant was that it must surely be acceptable to us, too, to shelve the *Anschluss* question until such time as questions of territorial revision become acute. This, after all, accords with our own view, namely that we do not want to infringe Austria's independence—although the path from this view to the actual exclusion of this issue from German-Italian relations may yet be a somewhat thorny one.

I do not, on the other hand, believe that we need fear an "Italian hegemony" in the Balkans at present. The trend of current international politics seems to be towards a strengthening of the French rather than of the Italian position in the South East. It is true that at the moment France and Italy are cooperating closely over Austria; the January agreement between them was possible only on this basis, and today the Austrian problem is again both the basis of their cooperation, and at the same time the *quid pro quo* for French support of Italy against Abyssinia.

Nevertheless, there are, in the South East too, considerations which weigh in favour of restoring German-Italian understanding.

Firstly there is the predominance of France, referred to above, which is increasing, is pushing Italy into the background, enjoys the support of the Little Entente, and which could in the long run again become a hindrance to Italy.

Secondly, Czech-Russian cooperation, under the patronage of France, as well as renascent pan-Slavism generally; connected with this is the continued and undiminished conflict between Hungary and the Little Entente, or at least Czechoslovakia.

Thirdly, the Habsburg question, which may explode at several points—between France and Italy, between the Little Entente and Italy, perhaps even between the Little Entente and France, and, finally, within the Little Entente itself.

(b) *League of Nations*. It is perhaps possible that the Italians might try, at a given moment, to "blacken our names with the British", were we to make common cause with the Italians on the question of the League of Nations; and it is true that the Anglo-German Naval Agreement, and the efforts made in connection with it to achieve good relations with Britain, have made things more com-

¹² Of May 21, 1935; see Editors' Note, p. 171.

plicated for us inasmuch as she appears to be more obsessed with the League of Nations now than ever. This does not, however, make any difference to our attitude in principle towards the League of Nations in its present form. The reasons which have caused Japan to withdraw from the League of Nations, and those which may perhaps cause Italy to come to a similar decision, may be very different from our own. The fact remains, however, that we cannot but welcome the attack on the Versailles institution in its present form and thus on the conservative character of the Versailles system as a whole.

(c) *Colonies*. The same applies to Italy's Abyssinian policy in so far as it may break the deadlock over the colonial question as a whole. If it is the case that Italy was formerly "only prepared to tolerate our wishes if Italian colonial wishes had been met already by the grant of a mandate or a colony", then, in my opinion, the situation has changed precisely as regards this point. For if Italy pounces on the Abyssinian bone, she will have plenty to gnaw at for a long time to come and will have little ambition to acquire yet further colonies.

(3) All this being so, it would seem to me that we should in any case indicate to the Italians, particularly in view of the predicament in which they now find themselves, that we greatly value the link with Rome, and, conversely, that we should deprive them of the argument that we do *not* want to collaborate with them. Assuredly, no reasonable person, in Germany or elsewhere, believes that a German-British bloc—confronting a Franco-Italian bloc—would be desirable or promising from our point of view, quite apart from the fact that Britain would hardly embark on such a course. Moreover, it is very doubtful how long the present situation, which is separating Britain from France, will last. Not only is it questionable how long France will be able to continue her game of getting Britain to stand up for the League of Nations and non-Italian interests in Africa, whilst she herself poses as Italy's friend, but it is also very doubtful whether Britain will persevere or whether she will not, in the end, simply content herself with having made the attempt and return to "Stresa". In any case it is important for us to take advantage of our good fortune in being equally indifferent to the League of Nations and to Abyssinia, and to cultivate the tie between Berlin and Rome, especially at the present moment.

(4) In this sense, I think that, although the "tempo" of any improvement in German-Italian relations certainly depends very greatly, indeed primarily, on the Italians, it nevertheless also depends on us.

No. 203

8678/E607203-04

*Unsigned Minute*¹

VIENNA, July 11, 1935.

I communicated the attached draft to the Foreign Minister today. After I had read and explained it to him the Foreign Minister asked for a copy for closer study. I emphasized that this draft was entirely my own proposal, although I had, admittedly, been fully authorized only a few days ago to negotiate with the Austrian Government on all questions;² nevertheless I would only submit certain draft formulae to my Government if agreement were first reached on them here. I further remarked that the Head of a Mission had recently called on me in order to obtain more detailed information with regard to my negotiations with the Austrian Government. One of the Foreign Minister's immediate assistants had given this official the *aide-mémoire* on my last conversation with the Foreign Minister to read. This occurrence had been a warning to me not to part with anything in writing, because it could too easily fall into the wrong hands and be misused.

Herr von Berger condemned his colleague's action (Minister Hornbostel's [communication] to the Turkish Minister) and stated that such a thing ought not to be allowed to happen. He again asked to be given an opportunity of studying my proposal in detail. To reassure me he noted on the copy I gave him, "Given to me by Herr von Papen as his personal draft for my own personal and confidential use."

As to ways and means of further procedure it was agreed that Herr von Berger, who is now about to go on leave, would arrange to have another conversation with me after July 27 so that he may make a detailed counter proposal.

Our conversation on the international situation revealed nothing new. I informed the Foreign Minister that we had information of certain acts of terrorism on the part of certain political groups who were anxious to lay such acts at the door of the German Reich and in this way to discredit the Reich Government. These efforts probably originated in Moscow. I suggested that he should inform his political police about this and took the precaution of uttering a warning that the German Government should not be held responsible for such incidents, should they occur.

With regard to the Neubacher-Leopold episode,³ the Foreign

¹ It is clear from internal evidence that Papen is the author of this minute.

² See also document No. 197.

³ In despatch A 1451 of June 22 (1549/376744-47) Papen reported that these two leading Austrian National Socialists had apparently been arrested owing to the issue, on the occasion of the second anniversary of the banning of the Austrian National Socialist Party, of a pamphlet entitled "For Austria's Freedom and Right".

Minister told me that both persons would be held in custody for some time, as their illegal activities had been proved beyond doubt. In this connection, he said, it was interesting to note that most of the material emanated from these same circles, with Neubacher's adherents accusing Captain Leopold and, conversely, the Leopold group accusing the Neubacher circle. I repeated my remark that it appeared to me advisable not to keep these two persons in custody too long, otherwise a radicalization of the Party might easily ensue, which would not be in the interests of either Government.

8678/E607205-08

[Enclosure]

DRAFT!

July 11, 1935.

With a view to restoring relations between the German Reich and Austria to a normal and friendly footing, and in the conviction that the desire for this, which has been expressed by both sides, can only be realized once certain stipulations have been fulfilled by the two countries concerned,

In the further conviction that the general progress in Europe towards the maintenance of peace will thus be considerably furthered,

The Governments of the German Reich and of Austria have agreed on the following:

I. The Austrian Government take note of the statement made by the Führer and Chancellor on May 21, 1935,⁴ that "Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria, or to conclude an *Anschluss*".

(a) From this statement it follows that the Reich Government will exert no influence whatsoever on political parties or groupings within Austria. The NSDAP in Austria, which is at present banned there, is accordingly a purely internal Austrian affair.

(b) The Reich Government will take care to ensure that any associations of Austrian citizens existing in the Reich and recognized by the Reich will only engage in activities of a purely charitable nature.

II. In accordance with the Federal Chancellor's statement of May 29, 1935,⁵ that "Austria regards herself as a German State", the Austrian Government will adjust their policy to the requirements of the peaceful interests of the German peoples as a whole [*gesamtdutschen Interessen*].

(a) In accordance with Paragraph I (a), the Austrian Government will refrain from describing internal Austrian events as constituting unjustified intervention stemming from external influences.

⁴ See Editors' Note, p. 171.

⁵ See document No. 111, footnote 9.

(b) Associations of Reich German citizens in Austria shall not have their activities curtailed as long as they abide by the principles embodied in their statutes and do not interfere in internal Austrian affairs.

III. Agreement has been reached on the following details:

(a) All factors of major importance in the formation of public opinion in both countries shall serve the purpose of reestablishing mutual relations on a normal and friendly footing. Both parties will therefore exert a vigorous influence on their press with a view to considering and sparing any possible susceptibilities of the other party in all respects and, furthermore—along positive lines—with a view to arousing sympathy for peaceful and friendly co-existence designed to foster the interests of the German peoples as a whole. The Austrian side acknowledge that National Socialism is the State doctrine [*staatstragende Doktrin*] of the German Reich. Criticism of this doctrine and of its effects shall therefore be kept within the limits of what the relationship between two friendly States permits. On the other hand the German press will, in accordance with Paragraph I (a), refrain from all forms of influence on National Socialism which is forbidden in Austria. The Austrian side promise to take such steps, also as regards the *émigré* press, as are required by the sense and substance of the present agreement.

The general withdrawal of all bans on newspapers imposed by both sides will be fixed for a date in the near future and the withdrawal of these bans will be announced by both sides on the same date, after previous agreement. In order to prepare for this, from..... the Austrian Government will readmit the following German newspapers.....and the German Government will readmit the following Austrian newspapers.....

(b) In the sphere of broadcasting, both sides will also, and with immediate effect, abide by the present agreement. The political news service will be replanned in both countries in the above sense. It is agreed that broadcasting in both countries will be developed with a view to arousing and fostering understanding on both sides for the task of the German peoples as a whole. A conference of leading personalities in the field of programme planning for broadcasting will be arranged.

(c) The same shall apply to the programme planning in theatres in both countries and particularly to the sphere of films, and it has been agreed that no films of a purely political internal Reich German content shall be shown in Austria for the time being. On the other hand, films having to do with the German peoples as a whole, in particular cultural films of this kind, shall not be subject to censorship in Austria.

(d) For the handling of objections and complaints which may arise in connection with the present agreement, there shall be constituted a Committee consisting of three officials from the competent Departments of either country. Its task shall be to discuss at frequent meetings the operation of the agreement as well as any supplements thereto which may be required.

(e) Being aware that the *émigré* question represents a serious strain on mutual relations, the Austrian Government will, in the near future, study the question of whether, by means of an amnesty, the return of such persons as are not suspected of any or only of minor infringements of the penal code can be made possible. The Reich Government, in continuance of their efforts to prevent incidents, will remove the Austrian *émigrés*, who are kept in closed camps, as far as possible from the frontier. A Commission, whose terms of reference have still to be defined and which is intended to meet in the near future, shall be set up to deal with questions arising from the *émigré* problem.

(f) The Austrian Government recognize the national symbols and anthems of the German Reich. They will rescind the decrees making the display of these symbols and the singing of national anthems by Reich German citizens a penal offence.

(g) The restrictions on tourist traffic imposed by both sides because of the tension which had arisen between the two States shall be lifted. This agreement does not affect restrictions imposed under the legislation for the protection of currency in force in either country.

No. 204

9172/E645142-43

Acting Minister of Economics Schacht to Foreign Minister Neurath

VI (Dev.) 165/35

BERLIN, July 11, 1935.

W 7549.

DEAR HERR VON NEURATH: Thank you for your letter of July 10, 1935,¹ of which I have taken note.

I should have welcomed it if Colonel Beck had also discussed the question of Germany's obligations arising from transit traffic through the Corridor with me on the occasion of his stay in Berlin.² I could then have explained to him the reasons why it has unfortunately been impossible to effect the transfer in full.

The burden imposed on us by the payments in respect of transit traffic through the Corridor is extremely heavy. German obligations arising from transit traffic through the Corridor amount to some 30 million RM a year. On the other hand Germany's total exports to

¹ Not found, but see also document No. 192.

² See document No. 190 and footnote 1 thereto.

Poland amount to only about 40 million RM. If future payments for Corridor transit traffic were also to be made in foreign exchange in accordance with Polish wishes, then the German-Polish balance of payments would remain very unfavourable to Germany. The Polish offer of a ratio of 1:1 for the balance of trade³ in the economic negotiations now in progress would then be entirely in Poland's favour.

For this reason the German delegation under the leadership of Counsellor of Embassy Hemmen received instructions from the Handelspolitischer Ausschuss at its meeting of April 26, 1935,³ that in the German-Polish economic negotiations they should try to get the payment of Germany's debts arising from transit traffic through the Corridor included in the exchange of goods on the basis of a ratio of 1:1. Since the payments for Corridor transit traffic represent compensation for services rendered, the inclusion of these payments in the exchange of goods would correspond to a principle which is also observed in respect of other countries and would enable Germany to offer to offset services rendered by Poland with supplies of goods. At the same time our highly critical foreign exchange situation would be considerably improved.

Counsellor of Embassy Hemmen informed the Polish delegation in the above sense, in accordance with the instructions given him. The Polish delegation refused to make this question a subject of negotiation. The leader of the Polish delegation, Director of Department Sokolowski, agreed, however, to advise the Polish Ambassador in Berlin of the German delegation's wishes.

I should be grateful if you would try to get Colonel Beck to send the Polish delegation instructions consonant with Germany's wishes.⁴

With the German greeting and Heil Hitler,

Yours, etc.,

DR. HJALMAR SCHACHT

³ See document No. 58.

⁴ The document here printed was forwarded by Meyer to the Embassy in Warsaw on Aug. 2 with instructions to request the Polish Foreign Ministry to instruct the Polish Trade Delegation to include the question of railway payments in the economic negotiations (9172/E645142). See also document No. 271 and footnote 3 thereto.

No. 205

9590/E675989-98

The Embassy in Great Britain to the Foreign Ministry

A 2453

LONDON, July 12, 1935.

Received July 15.

II Balk. 1663 R.

Subject: London visit of the Rumanian Foreign Minister, Titulescu.

With reference to my report A 2359 of July 5, 1935.¹

I have now received a memorandum on the London visit of the

¹ Not printed (9590/E675984-85).

Rumanian Foreign Minister, M. Titulescu, from a confidant who had a lengthy talk with him; I enclose the memorandum herewith in continuation of my previous report.¹ It gives an account of the position Titulescu took in his conversation; here as well as of certain general principles of his policy, and for this reason it may be of interest to you. As has become known through the daily press, M. Titulescu broke off his stay here because of Prince Paul's journey from Yugoslavia to Bucharest.²

By order:
BISMARCK

CONFIDENTIAL

*Memorandum on talk with M. Titulescu*³

On Monday evening, July 8th, I had a conversation of 1½ hours with Titulescu. I was sandwiched between a talk with Conbin⁴ and another with Grandi.⁵

The following is a summary of the remarks made to me by Titulescu, some of them spontaneous, others drawn by my own observations and questions:

"I am very annoyed. I have just received a telegram from the King, warning me that Prince Paul is arriving in Bucarest on Friday. The King does not specifically ask me to return at once. But, of course, I know my business. I *must* be there. It is a nuisance, at a time when I was hoping to spend at least another week in England, and to rest a little. I have had no respite since September 1st of last year. These Jugo-Slavs are really very trying! Why the other day did they overthrow the Jevtitch Cabinet?⁶ What for? Jevtitch was an excellent man. I don't know what to think about the new lot. Prince Paul shouldn't have allowed the change. As a man, I adore him. He is an exquisite being. But as regards statesmanship he has a lot to learn, about what is practicable and what is not. In our countries it is all very well to be civilized and Westernised, so long as you retain a good dose of cynicism. But to be an idealist pure and simple is dangerous!"

"Yes, I have talk after talk with your statesmen, both those in office and some of those out of office, like Austen Chamberlain. Some of them still hold with France. Many of them are now at a good distance from her. But none are against her. They never will be against her, although, as I say, they may go a long distance away for the time being.

² Prince Paul visited King Carol at Sinaia, July 12-14.

³ The original of this enclosure is in English; peculiarities of spelling have been preserved.

⁴ Presumably M. Charles Corbin, French Ambassador in Great Britain.

⁵ Dino Grandi, Italian Ambassador in Great Britain.

⁶ See documents No. 175, footnote 5, and No. 191.

"It is not true, as some of your journalists have written (because they are unable to grasp my real meaning) that I am condemning your Naval agreement with the Germans in *itself*. But, coming from Paris, I had to impress on your Ministers the force of the French objections to that agreement. I do not say that, from your standpoint, it was not justified. But it was bound to embarrass us all on the Continent. We of the Little and Balkan Ententes have only one preoccupation, which is that Anglo-French solidarity in the resettlement of Europe should be maintained; and we are naturally concerned and worried about anything that causes a relaxation of the bonds and cooperation between you. I may criticise your methods; but I can assure you that I have advised the French to stick to you, and not to make the mistake of forsaking your freindship for Italy's. France ought to stick to you and to the League in this Abyssinian business. We all feel that; some of us quite strongly. But France is so honest, so stupidly honest in her dealings! She is so staunch to her friendships and alliances; like Germany, by the way. They are both so much stauncher in this respect than you are!

I admit that, in this Abyssinian enterprise, Mussolini has gone off his head. He has lost all sense of balance and proportion. I hear this on all sides from those who have approached him recently. He must be mad to get himself tied up in Abyssinia at this moment, thereby providing Germany with a fresh opportunity for stirring up trouble in Austria; mad, too, to antagonise everybody by his speeches and actions,—yourselves, the League, Germany, the Little Entente and the Balkan Entente! There is no doubt a France-Italian alliance in the making. I know all about that; but I will tell you this. We of the Little Entente and the Balkan Entente have made it quite clear that this Franco-Italian Entente is not to be regarded as valid and effective, *unless* and *until* Mussolini recognises our own rights and conditions. France is well aware of this. Concessions to us by Italy are an essential counterpart, not only to any support of Italy by us in Central Europe, but to a Franco-Italian alliance. We have made this quite plain to Paris. We have also pointed out that an Italy, whose military energies and resources are mostly absorbed and paralysed by this mad Abyssinian aventure, is not of much value to anyone as an ally in Europe. Yet, at the very moment, when Mussolini, as never before, needs not only French support, but the Little Entente's, in Central Europe, what does he do? He had promised us solemnly, not only not to encourage a Habsburg Restoration, or to regard this question for the time being as beyond practical politics, but to back our own and France's opposition to it. But it is he who, at this moment, is fostering it by underground intrigues, whilst inspiring mendacious statements in his Press blaming for this development, and violently abusing even you and myself. Of course, he hates me. I

smashed his Four-Power Pact. He has not forgotten nor forgiven that, any more than the formation of the Balkan Entente, which was chiefly my own work. His retort to my policy in this direction was to embrace Venizelos! You may be assured of one thing. We of the Balkan Entente are *not* going to fight for the preservation of the status quo in Austria against Germany; we are *not* going to fight against the Anschluss, for Italy's benefit at any rate, unless Italy is going to back us with equal vigour in maintaining the status quo where it interests us, against Hungary and Bulgaria. This, and no Habsburg restoration in any form, are the unalterable conditions of our endorsement of his Danube Pact, or, more generally, of our support of his policy in defending Austria against the Anschluss.

"You ask me about my intentions regarding the Eastern Pact. I am going to surprise you in this connection. I am being represented once more as the enemy of Germany and the tool of Russia. You know me, and you should believe me. I am still the same old Titulesco whom you knew and believed a few years ago. I do not change. I am neither the enemy of Germany nor the tool of Russia. I am so little of either that I want something which I know you British do not want, nor, indeed, the French! I am going to speak quite openly about this, because the fate of my country is involved in it. You British want peace in the West. I am an Easterner and a Roumanian. I want peace in the East; and I can only feel confident of peace in the East, if there is a Russo-German reconciliation, which you dislike so! I am no enemy of Germany. You remember what I said to you about this two and three years ago. I have no quarrel, and I don't want any quarrel, with Germany. I cannot afford to fight her. You remember, too, my friendship with Stresemann, whom I liked and admired, and with whom I got on capitally, in the interests of Eastern peace and of my country. Well, I don't know Hitler, and I don't suppose that, if I did, I should like him as much as I did Stresemann. But I prefer him to the latter in one respect. He is far more sincere, and therefore perhaps less dangerous, than Stresemann, who was most cunning, and an opportunist of the deepest dye. I believe Hitler to be thoroughly genuine, even though many of his advisers may be the reverse. But why, oh! why, do these Nazis want to fight or antagonise the Russians? Their real interest and Germany's would lie in reconciliation and collaboration between the two Powers. I do not mean a military alliance, certainly not; but a sound working and friendly economic agreement. They would both benefit by that, and so should we. As a matter of fact, all the wiser Germans of the old school think as I do; and so do the majority of the Reichswehr Generals, even to-day. I happen to be well aware of this.

"I see I have startled and perhaps shocked you. I am going to

startle and shock you more, more than I have done by advocating Russo-German reconciliation and co-operation. If the Nazis would only see the risks of attacking Russia! Nobody, so far, has ever done this with success. Neither will they. The Soviet fighting forces are of no appreciable value as offensive forces outside their own boundaries. But within, they would defeat, in the long run, any invader. And some of the Reichswehr experts *are* of this opinion.

"I come now to this question of the Eastern Pact, about which you are so anxious. So am I, anxious about it! Do not you realise what a terrible position, what an awful dilemma I am in, and my country is in, owing to its geographical position? If there is a Russo-German war, in which France joins and therefore Czecho-Slovakia (for the latter will not join in such a war, nor would any Eastern Power, unless France joins first) the Russians will certainly cross Roumanian territory, in order to get into Czecho-Slovakia, even if it is only a question of two Russian Army forces, plus aviation. For they will not invade Poland, if she should remain neutral. The Russians will certainly cross Roumanian territory. Even in 1916 they entered Roumania to put pressure on us, when we were still deliberating whether to join the Allies,—a few hours before the die was actually cast in that sense. Now, if they should cross our territory without any agreement about their right of passage, whether under Article 16 of the Covenant or otherwise, they will cross it as and where they please, and they may never clear out. I have no faith in Russian promises. You don't think I am as credulous as that! Therefore, if it should come to this point of the menace of a Russo-German war, I may see no way out but to conclude a preliminary agreement, regulating the conditions under which Russia could cross Roumanian territory, and drastically limiting their right of passage. But that would not be enough. I repose no faith in Russian promises; as I have already said. I must have, if and when I assented to such an agreement, dependable guarantees, absolute guarantees, from France, that the agreement would be respected by Russia and that Russia would not endeavour to prolong her occupation after the war. Yet, even with all these guarantees—*paper* guarantees after all, but what more can one obtain?—I should remain gravely in doubt about the fulfilment of the agreement, and my country's ultimate safety. That is why I have done nothing, absolutely nothing, do you hear, to promote or provoke such a pact between Bucarest and Moscow, down to now. And I am not lying—I never lie to you—when I assert that neither Paris nor Moscow, so far, has asked me or pressed me to conclude such an agreement. But the French Press and the Russian Press are putting (have evidently been inspired to put), abroad, all sorts of stories about such an agreement having been already conceded by me in principle, and being on

the verge of definite conclusion. I know the ominous meaning of those inspired Press campaigns, and I am very very worried about them! You see, there is no alternative—unless it were an alliance with Germany. But how could I betray my old friend and ally, France, to this extent? How could I betray my partners in the Little Entente—Benes and Czecho-Slovakia? For it is they, and not we or the Jugo-Slavs, who feel threatened by the German Nazis, threatened, both directly and indirectly, in relation to Austria. For the story that I am contemplating an alliance with Russia, merely in order to secure her formal recognition of Bessarabia as an integral part of the Roumanian kingdom, is sheer nonsense and a calumny. I *have* Bessarabia; and Russia has recognised my possession and right of possession there, under the London Pact, and its annexes, to the full extent to which such recognition can obtain on paper. No! no! it is Czecho-Slovakia I am thinking of, and of which I am obliged to think, in loyalty to my partner. Germany is making, in her attitude towards Czecho-Slovakia, very much the same mistake as Italy has made in her attitude towards Jugo-Slavia. Italy would be willing to accept Czecho-Slovakia and Roumania as friends and associates, but she will not sincerely accept Jugo-Slavia as such. And so with Germany. She would probably look upon both ourselves and the Jugo-Slavs with favour, both economically and politically. But she is hostile and hectoring towards Czecho-Slovakia, no doubt because she cannot reconcile herself to the idea that there are some four million Germans of a fine and industrious type living just across the Czecho-Slovak border. That is the crux. That is the calamity. But I cannot get away from Czecho-Slovakia's peril, and Roumania's."

No. 206

7468/H183267-70

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 143 of July 15

ROME, July 15, 1935—11:45 p.m.

Received July 16—2:15 a.m.

II R 1719.

With reference to your telegram No. 147 of July 9.¹

In the conversation which I had with Mussolini today I expressed myself in the sense of your telegram, emphasizing that it was the German wish to inform the Head of the Italian Government in a friendly way about the political nature of the Naval Agreement, with whose contents and results as such he was acquainted. Mussolini listened to my remarks with great attention and then said that he

¹ Document No. 199.

was grateful for the communication and took it in the same spirit in which it was plainly meant. With reference to the Naval Agreement, his only grounds for criticism were the methods of Britain as a participant in Washington and Stresa, which, however, did not affect Germany, while he had already emphasized to Eden as well that Italy had no material objections. It was, of course, obvious that the Agreement in itself eased the situation for Italy in the Mediterranean. For the rest, he would very much welcome it, in the sense of my remarks, if the Agreement represented the first stage in a general settlement of naval armaments questions. In any case Italy was at present but little interested in the political questions directly connected with the Agreement, since her attention had to be mainly directed to the East African problem. No initiative could be expected from Italy in the pact questions. From the general political angle it must be borne in mind that the key to the European political situation as things stood at present was the Anglo-French *entente*. Britain and France, in contrast to Germany and Italy, were the *beati possidentes* who would not allow themselves to be split, particularly since France, as an opponent, was dangerous for Britain. I replied that I welcomed the opportunity to characterize as such the fantastic rumours about a German-British bloc; on the other hand, Franco-Italian ties often appeared to be more intimate than any others in Europe and in connection with Gamelin's visit² there was even talk of a military alliance. On the first point, Mussolini replied that there could in fact be no question of an Anglo-German combination, since neither side could want it. As regards France and Italy, the basis remained the Franco-Italian January Protocol³ within whose limits the conversations with Gamelin had also been strictly confined. Such military conversations only took on a different aspect when a political alliance already existed, which was not the case between France and Italy. The atmosphere between these two countries had in fact much improved. The January Protocol too [. . .]⁴ positive agreements which were generally known, but beyond them there existed nothing. Furthermore, France had so far displayed a correct and loyal attitude on the Abyssinian question, and if she maintained this attitude it would, of course, be very useful for the further development of Franco-Italian relations. If on the contrary she departed from this line, the situation would be fundamentally changed. With regard to the Danubian Pact, I drew Mussolini's attention (as I had recently done with Suvich⁵) to Gayda's questionable views about the continuance of the Franco-Italian Pact in the event of the Danub-

² See document No. 194 and footnote 2 thereto.

³ See vol. III of this Series, document No. 405 and footnote 1 thereto.

⁴ The missing word, ascertained from the draft in the Rome files (M95/M003263-67), is "contained".

⁵ In a conversation on July 10 reported in despatch I 456 of July 11 (7826/E568004-05).

ian Pact coming into force. Mussolini too energetically rejected this interpretation and expressed the opinion that the Danubian Pact should be limited to a pact of non-intervention, consultation and non-aggression; in the meantime Italy had no cause to take the initiative in this question either. He hoped to reach an understanding with Yugoslavia in the not too distant future. At least his intentions in this respect were of the best. When I suggested that the Albanian problem continued to be a difficult one, he replied that in any case Italy could not cease to be concerned with Albania.

What is worthy of note in the preceding remarks is that Mussolini evidently does not reject the possibility of a political alliance with France in the future.

On the Habsburg question he confirmed Suvich's observations.⁶ He had expressly asked the Austrian Minister to call in order to warn his Government through him against bringing up the question of a restoration. The restoration of property was perhaps an act of humanity, but it was primarily explicable in the light of home affairs since certain elements, such as Reither, Schmitz, Winter, Kunschak and numerous allies [*Bundesgenossen*],⁷ had tried to take the wind out of the Government's sails by raising the banner of Legitimism. When I remarked on the welcome *détente* between Rome and Berlin over the Austrian problem, he asked whether there was any sign of a *détente* between Vienna and Berlin. I said that there was goodwill on our side but that the prospects were not good because in Austria one never knew who was cook and who was kitchen boy, since various political groups were struggling with each other. It is not without interest that Mussolini confirmed this and, singling out the case of Winter ("Aktion"),⁸ again remarked on the competition between the various factions over the Habsburg question. I have confirmation from another source that Mussolini still persists in his antipathy to the Habsburgs while the Palazzo Chigi is more in favour of a restoration.

On the Abyssinian question Mussolini referred to today's communiqué on the fresh mobilization and emphasized his inexorable will

⁶ In telegram No. 135 of July 10 (5737/H029356-57) Hassell reported Suvich as saying that the "Austrian Habsburg law" (see Editors' Note, p. 410) was obviously attributable to the increasingly strong Legitimist tendencies and that the Italian Government had nothing to do with it; they had, on the contrary, advised the Austrian Government in no circumstances to bring up the restoration question at present.

⁷ The Rome draft, see footnote 4 above, here reads: "and the *Freiheitsbund* [Freedom League]".

⁸ A report in the *Neue Zürcher Zeitung* of Mar. 2, 1935, headed "Crisis in the *Aktion Winter*" states: "Differences in the Government camp on the principles which should govern domestic policy are increasing as the Austrian régime consolidates itself, repelling all the illegal attacks by the Opposition. The action designed to win over the workers, which was begun a year ago by the Deputy Burgomaster, Dr. Winter, at Dollfuss' request, is now in a state of serious crisis, its freedom of action having been curtailed by the Heimwehr and the *Sicherheitsdirektoren*. The *Aktion*, Winter's weekly journal, has repeatedly been confiscated for publishing inflammatory articles. . . ."

to attain his goal. He would in no circumstances take the initiative in (group mutilated).⁹ He had rejected the idea of tripartite conversations to find a solution. Italy must be allowed to go her own way. Nobody could recognize more clearly than he himself the difficulty of the undertaking, but he would hold fast. I asked him how he thought the British and French could extricate themselves from the situation, to which he replied that this was a matter of indifference to him. When I indicated that France and Britain might perhaps be able to exert sufficient pressure on the Negus, he said that this pressure would certainly have to be very strong, since he would in no circumstances be content with a half solution.

HASSELL

⁹ The Rome draft, see footnote 4 above, reads: "negotiations for a compromise".

No. 207

5740/H032183-87

Circular of the Foreign Minister¹

BERLIN, July 15, 1935.

III E 2525.

The attitude towards the British Foreign Secretary, Sir Samuel Hoare's, speech of July 11,² which has been adopted in information to the press and in conversations with diplomats here, is as indicated below. I suggest that you should follow the same line in conversations until you receive further and more detailed instructions:

For the German observer, what is most striking about Hoare's speech is that he almost entirely ignored the Führer and Chancellor's policy speech of May 21,³ which contained statements defining his attitude to several of the questions which Hoare had raised and, in addition, included some substantial offers. The Führer's promise of only peaceful revision of the territorial provisions (Point 2) of the Versailles Treaty, except for unilateral repudiation of Part V;⁴ his affirmation of Locarno (Point 3), where he laid particular emphasis on respect for the demilitarized zone, received no mention; the [expression of] general readiness to cooperate to safeguard the peace of Europe (Point 4) coupled with more precisely defined terms, especially in respect of the conclusion of non-aggression pacts, the isolation of belligerents, etc., and his being prepared to accept a non-intervention

¹ Addressees were the German diplomatic missions in Europe (except the Embassy to the Holy See and the Legations in Dublin, Lisbon and Luxemburg) and the Embassy in Turkey.

² For the text of the statement in the House of Commons see *Parl. Deb., H. of C.*, vol. 304, cols. 509-524; extracts are printed in *Documents on International Affairs 1935*, vol. I, pp. 189-198 and vol. II, pp. 36-38. Hoesch reported on Hoare's speech in airgram No. 167 of July 12 (7512/E540949-52).

³ See Editors' Note, p. 171.

⁴ i.e., the Naval, Military and Air clauses of the Treaty.

obligation (Point 13), were made to apply merely to the Franco-British project; the affirmation of armaments limitation (Point 8), the rejection of an armaments race, as well as the proposal for qualitative disarmament (Points 9, 10 and 11), were all passed over by Hoare in silence. This is all the more remarkable since the Führer and Chancellor's policy statement was made after a detailed discussion with Sir Samuel Hoare's predecessor in office and with the British Minister, Eden, who is still in office today.⁵

One is also struck by the fact that the British Foreign Secretary is again trying to make the Anglo-French programme of February 3⁶ the point of departure for international discussions. This cannot but cause surprise, seeing that various events of direct concern to Germany have in the meantime materially affected the situation. One need only call to mind the Stresa Conference and the Geneva Council's decision, and the Treaties of Alliance between Russia and France and Russia and Czechoslovakia.

In the light of the German policy statement and of the other events, the British Foreign Secretary's invitation to Germany to contribute towards the realization of the Anglo-French programme and his directly apostrophizing the Führer, appear naïve, to say the least. This all the more so, since, as is known, the Anglo-French programme was, as regards the treatment of the individual points, more or less subdivided, with France paying particular attention to the Eastern Pact, Italy to the Danubian Pact and Britain to the Air Pact.

With regard to the London programme of February 3 it is worthy of note that, on the subject of the League of Nations, Hoare confined himself to a general affirmation on behalf of the British Government, whilst, according to the Anglo-French programme, Germany's return to Geneva was to be one of the preconditions inseparably bound up with the programme as a whole. As is known, Sir Samuel Hoare confirmed this alleged indivisibility of the programme in various passages of his Commons statement.

The position of the negotiations on the Eastern Pact, to which the British Foreign Secretary particularly urged Germany to contribute, is that, some time ago, the French Government proposed to us⁷ that there should be included in the Pact those points which had earlier been described to Sir John Simon⁸ as being ones which Germany would accept for inclusion in security treaties although she rejected any obligation for mutual support. It is self-evident that no Eastern Pact constructed on this basis could ever cancel out, or even materially diminish, the import and the dangers of the Russo-French and

⁵ The reference is evidently to the visit of Simon and Eden to Berlin, Mar. 24-26, 1935; see vol. III of this Series, documents Nos. 555 and 564.

⁶ See document No. 46, footnote 3.

⁷ See documents Nos. 127 and 129.

⁸ See document No. 29.

the Russo-Czechoslovak Alliances. Apart from this it is impossible to see how a collective non-aggression pact (without any obligation for mutual assistance) would be any more effective than bilateral non-aggression treaties which Germany has for years been proposing to all her neighbour States, without (Poland excepted) this offer ever having been taken up by any of the supposedly apprehensive parties. Precisely in North-Eastern Europe there already exists a dense network of bilateral treaties for the peaceful settlement of disputes (treaties of arbitration and conciliation), with Soviet Russia as the only exception, she having so far refused on principle to submit to a "bourgeois" legality. How little multilateral treaties of consultation mean is proved by the (Lausanne) Treaty of Consultation of 1932,⁹ to which all the States of Central and Eastern Europe acceded. Finally, as regards the point about non-assistance to the aggressor, it is self-evident that the value of a regional agreement of this kind would be doubtful and that it would remain ineffective. Obligations of this kind must include at least all the European States, if not all civilized countries, in order to have the desired effect of preventing war.

Since receiving the Franco-Italian programme of January 1935¹⁰ for a non-intervention pact for the Danubian region, and the scarcely satisfactory statements of March 1935,¹¹ we have heard nothing more about this project, other than that the original programme would have to be amended as new questions had arisen which came within its scope. How far the emergence of the Habsburg question has further complicated the project, cannot as yet be judged. It is, however, known that opinions differ as to whether the Habsburg question is an internal Austrian affair or an international issue.

As regards the Air Pact based on Locarno, you should simply state that it has met with Germany's approval in principle, and that Germany has not only never considered a bilateral Air Pact with Britain or any other country but, moreover, has expressly rejected the idea of bilateral air treaties between the Locarno Powers and has even set this down in writing in the draft treaty communicated to the British Government.¹² Any postponement of negotiations on the Air Pact will naturally result in Germany, for her part, freely expanding her air force in accordance with the demands of German security.

In advocating the League of Nations Sir Samuel Hoare pointed out that any weakening of the Geneva institution must lead to a return to the old system of alliances with all its attendant unrest and intrigues. Here he is carefully ignoring the fact that the League of Nations has, from the very beginning, suffered from the fact that there were in existence alliances incompatible with its structure, and that

⁹ See document No. 200, footnote 7.

¹⁰ See vol. III of this Series, documents Nos. 405, footnote 1, 408, 409 and 417.

¹¹ See vol. III of this Series, documents Nos. 518 and 520.

¹² See document No. 106, enclosure.

the most recent development of the discussion on building up the system of securing peace in Europe was severely prejudiced by the Franco-Russian system of alliances and its consequences.

The chilly attitude which Sir Samuel Hoare adopted to Germany and her demands could cause no surprise, since this corresponds to the familiar British policy of balance, and since a renewed and marked inclination towards France after the conclusion of the Anglo-German Naval Agreement was generally expected, not only by us. It is, nonetheless, astonishing that no views whatsoever were stated on the practical proposals contained in the Führer's speech of May 21, and that there should have been made the naïve suggestion that Germany should cooperate in realizing the Anglo-French programme of February 3, when what the progenitors of this programme have done and have failed to do has rendered its realization extremely doubtful.

NEURATH¹³

¹³ The document here printed, which was initialled by Bülow, was sent over Neurath's signature; a marginal note reads: "The Foreign Minister has approved the despatch by telephone. R[?], July 15, 1935." A copy initialled by Neurath on July 14 (C75/C001199-203) was sent by him to Lammers under cover of a letter from Leinfelden of July 16 (77704/E548705) with the request that it be submitted to Hitler; this covering letter is marked: "(1) The Führer is informed. (2) To the Referent for information. (3) To be filed. L[ammers], Berchtesgaden, July 20, 1935."

No. 208

3015/596605-06

Memorandum by the State Secretary

BERLIN, July 15, 1935.

The Latvian Minister¹ called on me today and told me in great detail about the Ambassadors' Conference in Riga,² the first since 1923. He stressed that naturally no decisions had been taken but said that there had been very detailed discussion during the Conference; four sub-committees had been formed, *rapporteurs* and assistant *rapporteurs* had been appointed and the views expressed had been recorded by a drafting committee. He read out to me, in a bad translation, that part of the minutes which related to the Eastern Pact and then a letter from Foreign Minister Munters³ about his latest discussion with Minister von Schack,⁴ which on the whole corresponds to our telegraphic report from Riga.⁵

The minutes relating to the Eastern Pact show that Latvia's chief concern, and probably that of the other Baltic States as well, is to be

¹ Edgars Kreewiņš.

² In Riga despatch A 779 of July 6 (6695/H108647-49), Schack reported that this Conference, attended by all 13 Latvian envoys to foreign countries, had been held June 28-July 3, 1935.

³ Vilhelms Munters was Secretary General in the Latvian Foreign Ministry.

⁴ Eckhard von Schack, German Minister in Latvia.

⁵ See document No. 200, footnote 1.

treated as a subject and not as an object, that is to say, to join an Eastern Pact on a basis of equal rights. The desire for an Eastern Pact continues undiminished, since it is the only means of providing a counter-weight to the Russo-French Alliance to maintain the balance of power in Eastern Europe. The point of the Minister's communication, however, turned out to be that everything depended on whether Germany abided by her Stresa declaration⁶ or not. If not, then Latvia must consider "in principle" (the Minister particularly stressed this "in principle") following the example of Czechoslovakia and joining the Russo-French alliance system. Both the Minister himself, and Munters in his letter, stressed their complete understanding for our refusal to assume mutual assistance obligations.

I spoke very seriously to the Minister, who took notes of all I said, in the sense of the instructions to Herr von Schack⁷ and of the circular instructions, approved by the Foreign Minister, on the subject of Hoare's speech,⁸ and I explained to him, in particular, the practical difficulties which stood in the way of an Eastern Pact. I said that in no circumstances would we allow our existing agreements with Poland and other States to be weakened or compromised by an Eastern Pact. Nor would we sign a treaty merely to supply the paper frill for the mutton cutlet of the Russo-French alliance so as to save others from getting their fingers greasy. The Latvian attitude to the Stresa declaration was utterly mistaken. This declaration merely represented our views on a question which had not been brought up during Simon's visit and it was therefore nothing but a supplement to the German-British conversations held at that time. It had long since been outdated by events and we considered ourselves in no way bound by it. This did not, however, exclude the possibility that we might in certain circumstances return to the principles contained in that declaration. Nothing could as yet be said about this. The Minister had repeatedly told me that Latvia was convinced that she was not in any way threatened by Germany. I confirmed the truth of this belief and said that over and above this Germany had an interest in the independence of Latvia and the other Baltic States. This independence would be hopelessly compromised by accession to the Franco-Russian alliance system, and we would regard such a step as the beginning of the end of the independence of the Baltic States. In view of the smallness, the geographical situation and the history of these States, a treaty allying them with gigantic Russia and with the Franco-Russian alliance system could have no other meaning.

The Minister promised to report home in detail on our conversation.

BÜLOW

⁶ See document No. 29.

⁷ See document No. 200.

⁸ See document No. 207.

No. 209

9583/E675168-69

Minute by the Director of the Economic Department

BERLIN, July 15, 1935.

e.o. W 7634.

During the past few months Herr Sarnow¹ has repeatedly asked me, at Herr Schacht's express request, whether the Foreign Ministry still considers it politically important that special economic concessions should continue to be granted to Hungary.² From the economic and financial points of view, I was told, President Schacht would like to get out of having to make these special concessions, nor did he personally think it politically necessary now to go on granting Hungary these special concessions any longer.

I have repeatedly told Herr Sarnow that in my personal opinion it would not at present be desirable to withdraw these special concessions. As we knew, these concessions had been granted in consequence of a direct exchange of letters between M. Gömbös and Herr Hitler and in pursuance of instructions given at that time by the Reich Chancellor.³ If these concessions, once granted, were to be withdrawn, this would naturally have quite a different effect in Hungary now than if we had, at the time, not granted Hungary the concessions at all.

As Herr Sarnow insisted on obtaining the Foreign Ministry's views on this question from the Foreign Minister or the State Secretary, I reported on the matter to the State Secretary today. The State Secretary was of the same opinion as myself: at all events, no unfriendly action could be taken against Hungary now. We could, however, promise Herr Schacht that we would in future bear the matter in mind, in case there should be an opportunity at some future date of gradually releasing ourselves from these promises.⁴

RITTER

¹ Of the Ministry of Economics.

² See vol. II of this Series, document No. 322.

³ See vol. I of this Series, documents Nos. 15, enclosure, and 179, 195, 324 and 464.

⁴ The extraordinary joint session of the German and Hungarian Government Committees which began in Berlin on July 15 was concluded on July 19 by the signature by Ritter and Nickl (the Hungarian representative) of a secret protocol (9841/E692200-09).

No. 210

8753/E610751-52

The Ambassador in Italy to the Foreign Ministry

I 464

ROME, July 15, 1935.

Received July 16.

V 10421.

Subject: Memorandum on the attitude of the Italian Government to the Franco-Soviet Treaty of Alliance in relation to the Locarno Treaty.

Further to my other report of today's date,¹ I venture to enclose a copy and translation² of the Memorandum handed to me today on the attitude of the Italian Government to the Franco-Soviet Treaty of Alliance in relation to the Locarno Treaty.

HASSELL

[Enclosure]³

Ministero Degli Affari Esteri
S.I.I.

ROME, July 15, 1935—XIII

PRO MEMORIA

The Royal Government have carefully examined the German Government's Memorandum of May 25 last⁴ regarding the Franco-Soviet Treaty of May 2 last in relation to the Locarno Treaty.

The Royal Government, who have been informed by the French Government of the reply which the latter returned to the German Memorandum on June 25 last,⁵ desire, first of all, to declare themselves entirely in agreement with the German Government and with the French Government in considering that the provisions of the Rhine Pact of Locarno cannot legally be modified or defined by the fact that a treaty has been concluded with a third State by one of its signatories.

As regards the observations set out in the German Government's Memorandum, the Royal Government, taking note of the explanations furnished by the French Government in their reply, have the honour to inform the German Government that, so far as they are concerned, they share the point of view expounded by the French Government regarding the scope of the Franco-Soviet Treaty in relation to the Treaty of Locarno.

¹ The reference is to telegram No. 142 of July 15 (8753/E610750), in which Hassell summarized the Italian Memorandum.

² Not printed (8753/E610753).

³ In Italian in the original.

⁴ Document No. 107.

⁵ Document No. 170.

The Royal Government desire to add that under the Treaty of Locarno Italy, as one of the Powers guarantors of the Treaty, has the right and duty of deciding, subject to the findings and recommendations of the Council of the League of Nations, when circumstances have arisen which render its guarantee operative, and that these rights and obligations cannot in any way be prejudiced or modified by the act of another signatory to the Treaty.

No. 211

9375/E664274-76

*The Acting Reich and Prussian Minister of Economics to the
Foreign Ministry*

BERLIN, July 15, 1935.

Received July 16.

IV Ru. 2794.

I enclose for your information a minute of a conversation held today with the Russian Trade Delegate.

Heil Hitler!

DR. HJALMAR SCHACHT

[Enclosure]

BERLIN, July 15, 1935.

The leader of the Soviet Russian Trade Delegation, M. Kandelaki, called on me today together with his colleague, M. Friedrichson. I had myself asked State Secretary Posse and Ministerialrat Mossdorf to attend the discussion.

M. Kandelaki began by saying that he had been in Moscow, where he had spoken to Stalin, Molotov¹ and Rosengoltz,² and that these persons had taken note of and approved the substance of our previous conversations³ about the possibility of further, large-scale, credits and commercial transactions with Russia, but that they desired the negotiations to be postponed until the present smaller programme of 200 million RM⁴ had been completed. I observed that M. Kandelaki had told me this some weeks earlier, whereupon, after some embarrassment, M. Kandelaki expressed the hope that it might also be possible to improve German-Russian political relations. I replied that we had indeed already previously agreed that a brisk exchange of goods would be a good starting point for the improvement of general relations, but that I was not able to enter into political negotiations. If these were desired, then it would be necessary to approach the

¹ V. Molotov, Chairman of the Council of People's Commissars of the Soviet Union and Chairman of the Council of Labour and Defence (STO).

² A. P. Rosengoltz, People's Commissar for External Trade.

³ No records of these conversations have been found.

⁴ Agreed on Apr. 9; see document No. 21.

Foreign Ministry through the Russian Ambassador. Upon M. Kandelaki again suggesting that perhaps I could nevertheless help a little, I asked him what kind of help he expected me to give. M. Kandelaki then stammered out something about the Eastern Pact, whereupon I asked him what he meant. After a good deal of embarrassed circumlocution on his part, I finally concluded this part of the conversation by remarking gravely that in such matters the Soviet Government must approach the Foreign Ministry through their Ambassador, adding that I would inform the Foreign Ministry of our conversation of today.

DR. HJALMAR SCHACHT

No. 212

4619/E198137-39

State Secretary Bülow to Foreign Minister Neurath

BERLIN, July 18, 1935.

DEAR HERR VON NEURATH: Prüfer¹ tells me that a confidant and official of the Negus of Abyssinia, who was well known to him in Addis Ababa, appeared yesterday at his private address and, on the direct instructions of the Negus, gave him confidential information about Abyssinia's military preparations and her prospects in a possible war with Italy. Whilst emphasizing the Negus' absolute determination to fight, he did not disguise the fact that the equipment of the Negus' troops leaves much to be desired, particularly as regards modern weapons. This disadvantage, he said, was not so much due to the fact that arms and other equipment could not be procured abroad or, owing to possible embargos, could not be transported from there to Abyssinia, as to the fact that the Abyssinian Treasury was almost exhausted by the purchases that had already been made.

The confidant then went on to say that, in the opinion of his master, the political interests of Germany and Ethiopia were identical in so far as a conflict with Italy over the Austrian question would some day probably be inevitable for us too. It must therefore be in our interests as well as in those of Abyssinia to weaken the Italian enemy as far as we could. We now had an opportunity to do this by enabling the Negus to arm his troops to such an extent that they could offer the greatest possible resistance to the Italians. He then added the request that we should place at the Negus' disposal a sum of about 3 million Marks for the purchase of arms in Europe. This sum would be sufficient for the purchase of about 30,000 rifles together with ammunition, and of a considerable number of machine guns.

This purchase was naturally not to be made in Germany, but the

¹ Dr. Kurt M. Prüfer, Deputy Director of Department III, had served in Addis Ababa, first as Chargé d'Affaires and later as Minister, from 1927 to 1930.

money could accrue to German industry in that the firms Rheinmetall and Krupp, which have branches in Switzerland and Sweden under other names (Solothurn and Bofors respectively), could effect delivery. The question as to the possibility of obtaining deliveries from the said countries had already been settled in the affirmative.

Absolute secrecy in the matter was ensured since only the Negus and his confidant, who is the head of the Supply Department in the Abyssinian Ministry of War, knew about the matter. No correspondence, either by letter or by telegram, would be conducted about the affair.

Prüfer's answer to the emissary was, provisionally, to refuse. Although I, too, am sceptical about this offer and am aware, in particular, that even with the greatest caution the danger of indiscretion cannot be completely eliminated, nevertheless, in view of the great importance that the progress of the Italo-Abyssinian war will have for the European political situation and especially for the political problems which affect us, I felt that I should inform you of it and leave it to your judgement whether you wish to bring the matter to the knowledge of the Führer and Chancellor for his decision.

The confidant is remaining in Berlin only for a few more days.²

With cordial greetings,

VON BÜLOW

² No reply to this document has been found.

No. 213

8753/E610757-58

The Chargé d'Affaires in Belgium to the Foreign Ministry

A 207

BRUSSELS, July 19, 1935.

Received July 22.

V 10718.

Subject: The Franco-Russian Agreement and the Treaty of Locarno.

With reference to my telegram No. 21 of May 28.¹

Baron van Zuylen,² who was deputizing for the Director General of the Political Department,³ who is at present on leave, asked me to call on him today and gave me the *aide-mémoire* the original of which is enclosed⁴ and which contains the Belgian Government's views on the observations which we made to the Powers signatories to the Treaty of Locarno, concerning that Treaty's relation to the Franco-Russian Agreement of May 2, 1935.⁵

¹ Not printed (8753/E610678-79).

² Baron Pierre van Zuylen, Head of the Central and North European Division, subsequently Director General of the Political Department, in the Belgian Foreign Ministry.

³ Paul Le Tellier.

⁴ Not printed (8753/E610759-60); for the text of the Belgian Note see British Blue Book, Cmd. 5143 of 1936, No. 30.

⁵ See document No. 107 and enclosure thereto.

In their *aide-mémoire* the Belgian Government state that, after studying the objections contained in the *aide-mémoire* which we communicated at the time, and the explanations contained in the French Note of reply of June 25,⁶ they do not consider that the Franco-Russian Pact is in conflict with the provisions of the Treaty of Locarno. The Note expresses the Belgian Government's agreement with the principle, laid down both by the German and the French side, that the provisions of the Treaty of Locarno cannot legally be modified or defined by the fact that a treaty has been concluded with a third State by one of the Signatory Powers.

In their final paragraph the Belgian Government point out that, under Article 4 of the Treaty of Locarno, they have the right and the duty, subject to findings and recommendations by the Council of the League of Nations, to decide if and when the conditions for the rendering of aid exist. In conclusion the *aide mémoire* states that this right and this duty are unalterable.

With regard to the written statement of the Belgian Government's views, which Baron van Zuylen did not appear to be either prepared or authorized to explain orally, I did not go into the statements contained in the *aide-mémoire* in detail but confined myself to receiving it.

BRÄUER

⁶ Document No. 170.

No. 214

5552/E394942-43

Memorandum by the Director of Department IV

[BERLIN, July 22, 1935.]

[IV Po. 4896.]¹

The Polish Government have determined, by decree of July 21,² that Customs offices within the territory of the Danzig Customs Administration may only accept for final customs clearance imports from abroad destined for internal consumption within the Free City. The interested parties must give proof at the time of clearance at Customs offices within the territory of the Free City of Danzig that, in conformity with this order, the goods are intended for internal consumption, or, alternatively, for internal use within the territory of the Free State.

The import trade via Danzig is thus being methodically diverted

¹ Taken from another copy (5552/E394937-38).

² This decree by the Polish Finance Minister was dated July 18, 1935, was published in the *Dziennik Ustaw* of July 20 and came into force on July 21. The Chargé d'Affaires in Warsaw forwarded the text of the decree and a German translation with his report FV 1a/Dzg/7.35 of July 22 (M231/M007915-18); see also League of Nations: *Official Journal*, February 1936, pp. 210-211.

from Danzig by this regulation, because in practice it is impossible to effect customs clearance outside the port of entry. The Chamber of Industry and Commerce in Warsaw has already published a statement which contains a warning against importing goods via Danzig. The blocking of imports results in blocking all exports in transit via Danzig, because the interdependence of imports and exports—if only by virtue of the utilization of shipping space—makes it impossible to use the port of Danzig for exports from Poland.

Poland formally bases the order on a stipulation contained in the treaties of August 1934,³ whereby the Polish Government are granted certain limited rights of issuing instructions to the Danzig Customs offices; it is further claimed that this measure is designed to protect Polish interests against the provisions of the foreign exchange control still in force in Danzig. (These provisions are still in force only to a relatively small degree in favour of the Gulden; very considerable relaxations have been granted for transit trade.)

The order spells the destruction of the port of Danzig as a sea port serving the Danzig-Polish coastal region and thereby, inasmuch as Danzig is *de facto* excluded from the Polish customs territory for the import and export trade, it demolishes the principle on which the creation of the Free City of Danzig was based.

MEYER

³ On Aug. 6, 1934, there was signed a series of agreements covering the whole field of economic relations between Poland and Danzig. Relevant documents have been filmed on Serials 9061 and 9084.

No. 215

5552/E395012

Memorandum by the Director of Department IV

BERLIN, July 22, 1935.

President Schacht rang me up today and said that the new decrees on Danzig would mean the death of the port of Danzig.¹ I replied that this was indeed the case and that the following first steps had been arranged with President of the Senate Greiser:

1) Herr Greiser will lodge a formal protest with the Polish [Diplomatic] Representative today against the infringement of the Danzig-Polish treaties which this order represents.²

¹ See document No. 214.

² A copy of a Note of protest by Greiser addressed to Papée and dated July 23 (5552/E394990) bears the typewritten marginal note: "Text of the Note communicated today by President of the Senate Greiser to Minister Papée." An unsigned memorandum of July 23 (5552/E394991-93) records the oral statements made by Greiser in the name of the Danzig Government to Papée on the occasion of the communication of the Note. An unsigned document entitled "Minute by President of the Senate Greiser of July 23" (5552/E394932-35) records a private and unofficial conversation which Greiser had with Papée after the official communication of the protest.

2) The Danzig Customs offices will ignore the decree and continue to effect customs clearance on goods destined for Poland.³

3) Herr von Moltke will arrive here this afternoon and return to Warsaw tomorrow, in order to follow up the conversation between the Reich Foreign Minister and M. Beck about Danzig⁴ by taking up the subject with M. Beck.⁵

President Schacht remarked that in his opinion we should now take immediate steps to reunite Danzig with Germany. I replied that it did not appear desirable to broach this question as yet; we first wished to wait and see how matters developed and what results would emerge from the negotiations in Danzig as well as from Herr von Moltke's interview with M. Beck.⁶ I arranged with him that Herr von Moltke and I would call upon him in the course of tomorrow.

MEYER

³ A memorandum by Meyer dated July 22 (5552/E394940) reads: "After further consultations with President Helferich I told President Greiser as instructed that the Danzig Customs offices should not obey the Polish decree, as it was not compatible with the existing treaties." An order to this effect was issued by the Danzig Senate on July 23; see League of Nations: *Official Journal*, February 1936, p. 211.

⁴ See document No. 190, footnote 8.

⁵ See also document No. 224.

⁶ Marginal notes: (i) "We could however indicate to the Poles that they are forcing us by their measures to contemplate reunification. v. N[eurath], July 23." (ii) In Meyer's handwriting: "Has been done through H[err] v. Moltke."

No. 216

8656/E606047-48

Memorandum by an Official of Department II

BERLIN, July 22, 1935.

II Oe. 1943.

On July 20, Vice Chancellor Winkler¹ called on me. He at once began to speak about the Habsburg question and referred to the relations which National circles in Austria maintain with the Yugoslav Minister in Vienna, M. Nastasijević. He then showed himself fully informed of the details of Herr von Papen's conversation with M. Nastasijević, which was the subject of Papen's report A 1661 of July 13² to the Führer and Chancellor. Herr Winkler tried to represent the restoration question as being one of great urgency and said that Germany and Yugoslavia should come to an understanding on further action to be taken. Germany must take the initiative in this and approach the Yugoslav Government with proposals such as, e.g., for

¹ Franz Winkler, Vice Chancellor of Austria, Jan. 29, 1932–Sept. 21, 1933.

² In this despatch (8656/E606041-43) Papen reported private information from the Yugoslav Minister in Vienna about the Little Entente's refusal to accept a Habsburg restoration; it was hoped that Germany would give moral support in Rome and Paris. A marginal note in Neurath's handwriting at this point reads: "Again and again this attempt to push us into the foreground."

the recall of the Ministers of both countries from Vienna in the event of Otto's³ return. In my replies I followed the lines of the familiar instructions to the Missions⁴ on the Habsburg question. From the conversation I gained the impression that the Yugoslav Government, in view of the failure of their attempts, by means of an exchange of views between the Minister President and Herr von Heeren⁵ on the one hand and between the Yugoslav Minister in Vienna and Herr von Papen on the other, to push Germany into the foreground in the Habsburg question, now intend to try to gain their ends by making use in the Reich of the influence of Austrian National circles⁶.

ALTENBURG

³ Archduke Otto of Habsburg, Pretender to the Austrian throne.

⁴ See document No. 198, footnote 6.

⁵ See document No. 198.

⁶ Marginal note: "Herr Altenburg. I wonder whether we should inform Vienna once more about these proceedings? Strictly speaking the Legation should have received sufficient information in earlier instructions, but perhaps this may all be quite interesting to Herr v. Papen. Possibly a private letter from me? Köpke, July 24." A copy of the document here printed was sent to Papen by Altenburg with a covering note dated July 25 (8656/E606049).

No. 217

2945/575998-576008

State Secretary Bülow to Foreign Minister Neurath

BERLIN, July 23, 1935.

DEAR HERR VON NEURATH: In accordance with our telephone conversation of July 20,¹ I am enclosing a letter setting out the questions to be decided at the Polish economic negotiations. The letter is so drafted that if need be you could give or send it to the Führer and Chancellor. I am enclosing a copy for this purpose.

With best wishes,

Yours sincerely,

BÜLOW

[Enclosure]

BERLIN, July 23, 1935.

[IV Po. 5050.]²

DEAR REICH MINISTER: The first phase of the economic negotiations with Poland, which began in Berlin on June 28, 1935,³ was not unfavourable, inasmuch as they were concerned with establishing general principles. In the second phase, however, when the negotiations became more detailed, there emerged three points of disagreement between the German and Polish delegations which appear likely seriously to lessen the chances of reaching an arrange-

¹ No record of this has been found.

² Taken from another copy (5643/H000772-81).

³ See document No. 192, footnote 8.

ment, if not to make it quite impossible. This is the reason for my present letter. These three points concern

- 1) the prices of certain important Polish agricultural products (butter, lard, eggs, geese),
- 2) the coal question, and
- 3) the transfer of the payments owed by Germany in respect of the Corridor railway traffic.

The Polish delegation entered upon the first stage of the negotiations with only very restricted powers. They wanted to conclude an agreement purely on the basis of mutual compensation transactions, a procedure which, where Poland is concerned, experience over the last few years has proved to be unfavourable to Germany. It proved possible to convince the head of the Polish delegation that it was no longer compatible with the present political and neighbourly relations existing between Germany and Poland for Germany to receive, by and large, worse treatment on the Polish market than Britain, France, Italy, Spain and other competitors. An agreement on a broader basis with the greatest possible freedom in respect of the exchange of goods was suggested to him. The last vestiges of the state of economic warfare existing for the past ten years should be removed and the economies of the two countries should once again be more closely linked together. Even though not all the economic questions at issue between the two States could as yet be finally settled, the ground should be prepared for the future conclusion of a comprehensive and permanent commercial treaty by concluding a more broadly based agreement now. The head of the Polish delegation succeeded by going to Warsaw in obtaining his Government's approval for the proposed wider terms of reference. The agreement which is now to be concluded is to be based on an exchange of goods, in a ratio of 1:1, that is to say that Germany's markedly unfavourable balance of trade during the past year is to disappear.

In the second stage, when the negotiations got down to details, there ensued disagreement in respect of the points set forth in the opening paragraphs of my present letter.

The first point, namely that of *the prices of certain Polish agricultural products*, is as follows: On the one hand, the market and price regulation of agricultural produce in Germany, and, on the other, currency devaluations abroad, have resulted in the world market prices for a number of agricultural products being below the German internal price levels. This differential between the internal and world market prices enabled us in previous negotiations, with Holland and Denmark amongst others, to agree to prices in excess of the world market prices for, e.g., Dutch and Danish butter, without thereby affecting the prevailing internal prices charged to the consumer. Poland has

pointed this out and is likewise asking for these higher prices. Poland bases her claim on two reasons. Poland, like Germany, has a system of internal market and price regulation. Polish internal prices are above world market prices. For example, the Polish internal price for butter is 1.20 RM per kilogramme, and the world market price is 0.67 RM. Were Poland obliged to sell her butter in Germany at world market prices, she could only do so at a loss in comparison with her internal prices. The second reason is that Poland intends in future to remove any discrimination against German goods on the Polish market. Consequently Poland claims she is entitled to expect no worse treatment in respect of prices than Holland, Denmark and other countries.

The Reich Ministry of Economics has for some time been opposed in principle to the payment of such higher prices, since in effect it entails spending more foreign exchange than is justified nowadays. The Reich Ministry of Economics wishes these concessions to Holland, Denmark and other countries withdrawn, and it must therefore logically also oppose a further concession of such excess prices to Poland.

The second point, which concerns *coal*, has been in dispute between Germany and Poland for the past ten years. The fact that, in the year 1925—after the lapse of the coal import quota imposed under the Treaty of Versailles—Germany permitted no further imports of coal from Polish Upper Silesia, was the immediate cause of the economic war which has existed between Germany and Poland ever since. At all general economic negotiations held in the meantime Poland has insisted on a coal quota. At the present economic negotiations Poland was told from the outset that the coal question had become more difficult than ever after the reintegration of the Saar. Every ton of Polish coal meant an increase in unemployment. The Polish delegation have shown appreciation for this position. They have not insisted on an immediate and unconditional import of a certain quantity of coal. But they do insist that if, in future, Germany's general exports to Poland exceed a certain value, then Poland should be entitled to export coal to Germany.

On the grounds of Germany's own coal situation and of German unemployment, the Reich Ministry of Economics has refused any concessions in respect of coal, even in the form of a conditional undertaking for the future.

The third point, which concerns *the transfer of the payments owed by Germany in respect of the Corridor railway traffic*,⁴ arises from the fact that, in consequence of Germany's shortage of foreign exchange, it has recently not been possible to make the payments due to Poland (about 33 million RM per annum) punctually. At the moment some 9.5 million RM are again outstanding. At the present economic

⁴ See also document No. 53 and footnote 5 thereto, and documents Nos. 192 and 204.

negotiations Germany has claimed that these payments ought to be included in calculating the ratio of 1:1 for the exchange of goods, in other words, that Poland should purchase extra goods from Germany to the value of approximately 35 million RM annually instead of *vice versa*. The Polish delegation have turned this down. They have pointed out that they have already made concessions to Germany in this respect on another point, namely by agreeing to include, in the ratio of 1:1, in Germany's favour, the payments for the purchases from Upper Silesia to which Germany is committed. But on the other hand the Polish delegation have not insisted on a positive settlement of the Corridor railway payments even within the framework of the present economic negotiations. They have said that they are not authorized to negotiate on this point at all. So it should be possible to leave this question open for the time being, and to make the payments only within the limits of what is possible at any given time, that is to say to keep on delaying them, a method by which we might induce Poland later on to agree to a special settlement of this point.

The Reich Ministry of Economics however is insisting on having this question definitively settled on the principle of Poland including the Corridor railway payments in the ratio of 1:1.

I neither can nor wish to refute in detail the views of the Reich Ministry of Economics on all of these three points. I fully recognize the soundness of these views if every one of these points is treated separately on its merits. But the question is whether these points are of such importance in relation to the totality of our political and economic relations with Poland as to warrant letting them, should occasion arise, wreck our economic negotiations with Poland. It is this question which I am submitting to you for decision and I venture to offer the following observations concerning its political and economic aspects. Our present political relations with Poland have become an important factor in Germany's foreign policy as a whole. The permanence of these political relations may be endangered or at least impaired if economic relations between the two countries—far from being satisfactory—continue to be strained and even unfriendly. They cannot be termed other than unfriendly as long as Germany is the only country (bar Russia) to be subjected to differential treatment on the Polish market. The constant friction and complaints in economic affairs may all too easily have undesirable results in general political affairs. We cannot in the long run expect positive and fruitful cooperation between Germany and Poland in the sphere of foreign policy whilst both countries are engaged in differentiating and warring against each other in the sphere of economics.

As regards the general economic situation the following is to be noted: German exports to Poland have diminished considerably in

recent years, falling to 40 million RM per annum, chiefly for lack of commercial treaties to settle economic relations, but also because Poland's erstwhile internal purchasing power has declined. It should not, however, be forgotten that in previous years Poland effected purchases from Germany to a value of up to 500 million RM per annum. Poland will one day regain this internal purchasing power. The first signs of an improvement in Poland can already be seen. But Poland has concluded trade agreements with other countries, above all with our chief competitor, Britain, but also with France, Italy and other countries, which give these countries the advantage in the Polish market. This advantage has enabled these countries to establish themselves in Poland and to take the place which Germany once occupied owing to her special knowledge of the Polish market. If Germany does not now succeed in securing for herself equality with these countries in the Polish market, it will be very difficult, if not impossible, for her to regain her old position later.

It will therefore be necessary to decide whether the objections raised by the Reich Ministry of Economics should take precedence over these general political and economic considerations. Whilst recognizing the validity of these objections it would appear to me that the following middle course might be taken over the three points:

1) Poland could be granted the higher prices as a temporary measure as long as these higher prices have not been withdrawn from Holland, Denmark and other countries. It is self-evident that at the negotiations we should try to fix these higher prices at a minimum. Should we cease paying higher prices to other countries, then such prices should no longer apply in respect of Poland. If Poland should make the reservation that in such an event she would have to study the new situation and perhaps demand fresh negotiations, we could not object to such reservation.⁵

2) On no account should we at present undertake to import coal from Poland. But if the totality of German exports to Poland should exceed a certain limit, Poland could, within certain specific limits, offset the surplus credit thus created by delivering coal [to Germany].

3) The question of the payments for Corridor transit traffic could be left open at present and settled later.⁶

Yours etc.,

BÜLOW

⁵ Marginal note against this paragraph: "I agree with this proposal. v. N[eurath], July 24."

⁶ Neurath's reply to this letter has not been found. Under cover of a letter of July 25 Neurath transmitted to Hitler a memorandum of the same date on certain political and economic questions (2339/487338-40). Regarding the German-Polish economic negotiations Neurath pointed out that three points (prices for Polish agricultural produce, the import of Polish coal and the transfer of payments for the Corridor railway traffic) were causing great concern, and stated that since, in his view, these three points must be seen in the light of over-all political and economic relations with Poland, and since failure of the economic negotiations must if possible be avoided, he had given instructions for compromise proposals to be made. See also document No. 271.

No. 218

8748/E610537-40

State Secretary Bülow to Ambassador Köster

PERSONAL

BERLIN, July 23, 1935.

DEAR KÖSTER: The postponement of your call upon Laval¹ was of course unavoidable, but it makes the conversation no easier and is therefore awkward both for you and for us. It may be that the conversation will not be altogether as innocuous as had been planned. I should therefore like to sum up once more the points which are of particular importance to us, so that it will be less difficult for you to leave out matters of minor importance.

We found the tone of the French Note² on Locarno and the Russo-French Treaty satisfactory, but it did not satisfy us in one, and that the most important, point. The French take the key to the arsenal, namely Article 16, into their own keeping, although it should be deposited with the League of Nations, and have, purely as a political and not as a legal concession, entrusted it to the guarantors of the Locarno Treaty, who are not responsible for the operation of Article 16. What we want to know is how Laval would react if we were merely to declare orally that we are not satisfied and that, instead of continuing the exchange of Notes, we would deal with this problem in conjunction with other questions (Locarno—Air Pact).

As regards the Eastern Pact, we particularly wish to discover, by means of a casual enquiry, whether France now intends to become a member of the Pact. Apart from this, however, you can always point out that we do not see how it will be of advantage to us, since, composed as it is of the familiar four elements, it will completely recede into the background beside the Russo-French-Czech system of alliances. If Laval asks you whether we still abide by our Stresa declaration,³ you should tell him what I always tell diplomats here, namely, that the question is wrongly put. At Stresa, Simon was merely asking a question supplementary to those which had been discussed in Berlin, and that was all. The answer should be viewed within this framework alone; it was outdated long ago. It may be that we shall in future stick to the course laid down in our Stresa

¹ Köster had been absent from Paris June 11–July 9, and, as is apparent from memoranda by the Deputy Director of Department V, dated July 1 and 23 (8753/E610731–41; 63–64), had received oral instructions whilst in Berlin. In telegram No. 318 of July 17 (M192/M006119) Bülow asked Köster when his conversation with Laval was to take place. In telegram No. 792 of July 17 (M198/M006169) Köster reported that he had made contact with Laval by telephone immediately on his return to Paris, when they had agreed that their conversation should be postponed until Laval was less busy. Köster now thought he would be seeing Laval in the next few days, probably on July 22. No record has been found of this scheduled conversation being further postponed.

² Document No. 170.

³ See document No. 29.

declaration, but we are not bound by what we said then, and our decisions are completely free and unhampered.

There is probably not much more to be said about the Naval Agreement;⁴ at the most you could enquire what the French think of the prospects of a general Naval Conference taking place at the end of the year.

As regards the Air Pact, you should confine yourself, as was agreed here, to the historical aspect; you should say that we had always understood that the British were working for the treaty and wished to act as a clearing house for the drafts. François-Poncet had suggested a direct exchange of drafts between Berlin and Paris,⁵ but we did not want to treat the British so, since the initiative for the Air Pact belonged to Britain and France. We had, however, met François-Poncet's proposal by requesting the British to forward our draft to the French. Whether this had been done we did not know.

As regards disarmament, you need only stick to the Chancellor's latest speech of May 21⁶ and advocate qualitative disarmament.

As regards the Danubian Pact, it will be sufficient for you to state that no other side has approached us on this again, and that the emergence of the Habsburg question seems to us to be further complicating this problem.

You should also try to mention the League of Nations, recalling the Geneva resolution⁷ as the result of the Stresa Conference, which has not yet been forgotten here, and enquiring as to how the League intends to honour its obligations towards Abyssinia. The point in which we are particularly interested, however, is to extract from Laval a declaration to the effect that he abides by the London programme of February 3⁸ and that he regards Germany's return to the League of Nations as a precondition for the whole settlement. We could make good use of such a declaration in London. You too will have observed that Sir Samuel Hoare when declaring his adherence to the programme of February 3 no longer demanded Germany's return to the League.⁹

The above seem to be the most important points and I wish you good luck.

Yours etc.,

BÜLOW

⁴ Document No. 156.

⁵ See document No. 186 and footnote 6 thereto.

⁶ See Editors' Note, p. 171.

⁷ See Editors' Note, p. 65.

⁸ i.e., the Joint Anglo-French Resolution of Feb. 3, 1935; see document No. 46, footnote 3.

⁹ For Sir Samuel Hoare's foreign policy statement of July 11, 1935, see *Parl. Deb., H. of C.*, vol. 304, cols. 509-524. See also document No. 207.

No. 219

7846/E569326-28

The Ambassador in Great Britain to the Foreign Ministry

A 2563

LONDON, July 23, 1935.

Received July 24.

II R 1759.

Subject: Western Air Pact.

With reference to my report No. A 2388 of July 9.¹

The reply to my *démarche* of the 9th of this month on the subject of forwarding our draft Air Pact to the French Government was given me orally today by Wigram.

Mr. Wigram told me that Sir Samuel Hoare had made it known as soon as he assumed office² that he intended to make vigorous efforts towards concluding a Western Air Pact and had pointed out that public opinion in Britain desired such an agreement. The position over the Air Pact project had accordingly been thoroughly examined at the Foreign Office, whereupon they had come to the conclusion that to invite the interested Powers to furnish drafts had been a premature step, since various points of principle had first to be settled before one could proceed to the actual drafting of the text. Such points included, according to Mr. Wigram, (a) the question as to which of the Treaty Powers should be parties to the guarantee provided by the Air Pact; here he referred particularly to Britain's well-known desire to exclude a mutual guarantee between Britain and Italy, and he also raised the question of whether Germany would be prepared to undertake a guarantee *vis-à-vis* Italy; (b) the question as to what should be the conditions under which the guarantee obligations would become effective; (c) the problem of the bilateral agreements, to which France appeared to wish to adhere for the time being.³

In view of this state of affairs the Foreign Office had realized that the best way of proceeding with the Air Pact project would be to prepare a questionnaire for the British Government to communicate to the interested Powers through diplomatic channels, requesting the Powers to state their views on each individual question. Only when, as a result of this exchange of views, the basic principles had been jointly laid down, would the moment have come to draw up a tentative draft treaty.

Though the British Government did not underestimate the value of the drafts communicated to them, they had nevertheless come to

¹ Document No. 201.

² Sir Samuel Hoare succeeded Sir John Simon as Foreign Secretary on June 7, 1935.

³ Marginal note against this passage in Neurath's handwriting: "We must reject this as before."

the conclusion that to exchange the existing drafts at the present moment would complicate the problem rather than help to solve it. They therefore intended to give up the idea of such exchange for the time being and to begin by clarifying the fundamental questions by means of a questionnaire.

The first prerequisite, however, was that the French Government should begin by declaring their readiness in general to discuss the question of an Air Pact beforehand. Up to now Paris had not replied to the urgent enquiries made by the British on this point.

I confined myself to listening to Wigram's statements on the proposed procedure without for my part making any comment. But when Wigram referred to the question of bilateral agreements as one which needed to be clarified, I stated emphatically that such bilateral agreements, if they were concluded between *certain* of the signatories only, would upset the balance of the Pact and thus render the whole Pact unworkable, and, on the other hand, I pointed out that to conclude bilateral agreements between *all* the signatories would appear to me, militarily speaking, Utopian. Wigram was unable to refute this argument and finally said that the British agreed with our standpoint in this respect. He hinted, however, that it would not be easy to dissuade France from her idea of bilateral agreements within the framework of the Pact, whereupon I remarked that France's favourite method of trying to link the conclusion of multi-lateral agreements with the creation of special agreements directed against Germany was unacceptable to us.⁴

HOESCH⁵

⁴ Marginal note in Neurath's handwriting: "Quite right."

⁵ This document is marked: "The Chancellor is informed. L[ammers], July 31."

No. 220

6695/H103729-35

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 810 of July 24

PARIS, July 24, 1935.

Received July 24—8:25 p.m.

IV Ru. 2924.

[I thought it best to begin by having a detailed discussion with the Secretary General on the problems which are at present at issue between our two countries before speaking to the Foreign Minister on the same subject.¹ I shall probably be seeing the latter in the next day or so.]²

¹ See document No. 218, footnote 1.

² The passages printed in square brackets were deleted before this telegram was circulated to the Missions in London, Rome, Moscow, Warsaw, Kowno, Riga, Tallinn, Helsinki, Prague, Bucharest, Brussels and Berne, and the Consulate at Geneva, under a covering letter of July 27, 1935 (6695/H103739), for their confidential information. See also document No. 223.

I informed M. Léger of the impressions I had gained in Berlin, namely that the French Note of June 25³ in reply to our observations on the Russian Treaty⁴ had not completely satisfied us. Although we were happy to acknowledge the obliging tone of the Note and the satisfaction we had received with regard to Article 17, as also France's positive attitude to the Locarno Pact, the French views on the interpretation of Article 16 nevertheless did not satisfy us at all. Now as previously we could, for the sake of German-French relations, only regret the change in the political situation as a whole caused by the Franco-Russian Pacts and the Russo-Czechoslovak Agreement; as for the Eastern Pact, it must not be forgotten that, apart from general international security pacts, there already existed a network of such treaties in the East, the centre of which was Moscow, Warsaw or Berlin. We could hardly imagine how an overall treaty could be superimposed on these different systems. Opinions could differ even on the question of the choice of participants. The States proposed by France had been chosen arbitrarily and no special reason had been given for this choice. In our opinion, if one wished to create such an overall regional system in the East at all, then one should include other States which were interested in developments in the East at least as much as ourselves, if not more so, e.g. Finland and Norway and/or Sweden. In addition the guarantee given to us and Russia by France⁵ did not interest us for the only too familiar reasons, namely that it offered us no real security. The whole matter would look quite different if France were to declare herself willing to take an active part in the treaty. This would give the treaty a European character and would result in other Great Powers having to be recruited as signatories to the treaty. My Government had as yet not adopted definitive views on the French proposal, but I thought it proper to point out the reasons which made it extremely difficult for them to come to a favourable decision.

Léger replied that we would not make any progress in this way. The Reich Foreign Minister had let it be known in Stresa that we were prepared to take part in an Eastern Pact based on non-aggression etc.,⁶ and, similarly, the Führer and Chancellor had told the British delegation⁷ that now as previously the Reich Government were abiding by (1) the offer of a mutual and general non-aggression pact and arbitration procedure, (2) consultative procedure, and (3) general measures for non-support of an aggressor. In spite of all these declarations and in spite of the Memorandum communicated by Laval on June 3 (see my telegram No. 587)⁸ the German Government persisted in being

³ Document No. 170.

⁴ See document No. 107 and enclosure thereto.

⁵ Amended in pencil to read: "... guarantee given us by France and Russia . . ."

⁶ See document No. 29.

⁷ See vol. III of this Series, documents Nos. 555 and 564.

⁸ Document No. 127.

dilatory. The French Government wanted to know only one thing, namely where they stood, for better or for worse, and that at the earliest possible moment. The present situation was certainly untenable.

To this last remark I replied that this untenable situation was not our fault but that the blame must be held to lie with the French Government, who had brought up for discussion an Eastern Pact on lines advantageous to France alone and had made it the basis of their policy without previously consulting us. It was therefore only natural that we should carefully consider our decision.

Léger then said that for France to take part in such a regional pact was impossible, if only because she would in no circumstances undertake a guarantee *vis-à-vis* the Baltic States. Upon my enquiring why France would not guarantee the Baltic States, Léger declared that France had no interest in doing so, to which I replied that I did not see why, for the sake of others, Germany should enter into obligations *vis-à-vis* third parties in which she had no interest either. Léger then continued that matters were different where Poland and Czechoslovakia were concerned, since France had an alliance with both. France had nothing against other States interested in a regional pact acceding [but it was known that Finland was unwilling to do so and it was to be expected that Sweden and Norway would adopt a similar attitude]. France could and would do only one thing, namely guarantee that the formula of obligations agreed between the Powers interested in the Eastern Pact was not violated. France had no further interest in the Eastern Pact.

When I interjected that one must then ask oneself where France got the authority to concern herself with the Eastern Pact problem at all, Léger replied that France was inspired by the desire to lessen or to eliminate, by means of this new pact system, the many tensions which in fact existed in the East, e.g. Poland's unfriendly attitude towards Czechoslovakia, the tension between Poland and Russia, and the tension between Germany and Russia.

I answered that we had the same interest, but, in my view, this could not form a basis for Eastern Pact projects, which, in practice, might in certain circumstances produce the opposite of what they were intended to achieve. I would, moreover, I said, like to say that there was no political tension between Russia and Germany, and in any case these countries had no common frontiers. There existed only fundamental ideological divergences. These divergences could not be compared with the Polish-Lithuanian, Polish-Russian or Polish-Czechoslovak tensions, where political, and, in particular, territorial problems were directly involved. Furthermore, it must never be forgotten that Germany was situated in the heart of Europe [and that it was her duty to distribute the heartbeats equally to both sides].

[In concluding the discussion on this point, which I reproduce objectively, but, for the sake of brevity, only in very rough outline,]⁹ Léger once again asked me to urge my Government to come to an early decision as to the attitude Germany would adopt in this matter.

I then informed Léger of François-Poncet's statement to the State Secretary¹⁰ that, according to Article 3 of the Protocol of Signature, the present Franco-Russian Treaty could be replaced by a possible Eastern Pact, even if this should only provide for an obligation of non-aggression and a consultation procedure.

The Secretary General confirmed the Ambassador's interpretation.

The purpose of the bilateral enlarged¹¹ treaty was, he said, to guarantee security to Russia and France. If a new treaty system between the Powers interested in Eastern affairs should now come into being and should include Germany and Russia, besides France's allies, Czechoslovakia and Poland, and if this treaty should include only the obligation of non-aggression, and/or consultation, and/or non-support of the aggressor, then France would take the view that her guarantee obligation *vis-à-vis* Russia and Germany could in future only apply to the non-infringement of this treaty obligation, which had been jointly demanded. The practical consequence of this would be that, in the event of the obligation of non-aggression which had been assumed being violated, France, as guarantor, would support the State attacked, and hence also Russia and Germany. If the guarantee were to operate, France would of course abide by the procedure of applying to the authorities now prescribed by the Franco-Russian Treaty (appeal to the Council of the League of Nations and the Locarno Signatories).

[We then briefly discussed the Air Pact, and I informed Léger that we had once more urged the British to forward our draft to the French. According to the Secretary General the British had not yet acted on this suggestion, nor would they do so, any more than they would issue an official collection of the proposals received on the Air Pact question.¹² Moreover, the German Government were mistaken if they thought that the British alone had taken the initiative in requesting Germany to furnish a draft Air Pact. The French Ambassador in Berlin had stressed, on instructions from his Government,¹³ that the French Government identified themselves with the suggestion made by Britain to the German Government. The initiative therefore belonged to both Governments equally. In these

⁹ The words "In conclusion" were inserted at this point in the abridged version of the telegram (see footnote 2 above).

¹⁰ See document No. 172.

¹¹ This word was queried by the cipher bureau. The draft telegram in the files of the Paris Embassy (M198/M006159-66) reads: "The purpose of the bilateral Franco-Russian Treaty . . ."

¹² See also document No. 219.

¹³ See document No. 186.

circumstances¹⁴ Léger informed me that the French Government had decided not to take part in the Air Pact as long as Germany failed to accept the Eastern Pact proposal.

The discussion had then to be terminated. A further report may follow.]

KÖSTER

¹⁴ The Paris draft (see footnote 11 above) reads: "At this point Léger informed me that the French Government . . ."

No. 221

6695/H103748-54

The Ambassador in Great Britain to the Foreign Ministry

A 2568

LONDON, July 24, 1935.

Received July 25.

IV Ru. 2967.

Subject: Conversation with Sir Samuel Hoare about the political situation.

Sir Samuel Hoare yesterday invited me to come and discuss the present political situation.

Referring to our previous conversations, he said that in his efforts to promote the Air Pact he had become increasingly convinced that France's opposition to the Air Pact question being treated separately could not be overcome. The French Government persisted in the view that the Eastern Pact and Danubian Pact problems must be tackled simultaneously with the Air Pact. He therefore thought that the only hope of getting practical inter-European negotiations under way would be in Germany's adopting a positive attitude to the Eastern and Danubian Pact projects.¹ If Germany could not make up her mind to adopt such a positive attitude, then there would be a risk of European policies lapsing into complete stagnation, which might breed fresh mistrust and fresh tensions. Of the two pact projects under reference, Sir Samuel continued, the Eastern Pact at the present moment took first place. It might therefore suffice to get serious discussions of the Air Pact under way if Germany started by declaring her readiness to enter into simultaneous discussions on the Eastern Pact. He was being overwhelmed with questions in the House of Commons about Germany's attitude to the Eastern Pact, and he foresaw that before the recess he would have to furnish information on this in a foreign affairs debate, and that, in particular, he would have to give his views as to why Germany had so far not replied to the most recent French invitation to join in the Eastern

¹ Marginal note in Neurath's handwriting: "We shall not evade discussion of concrete proposals but shall not make any ourselves. v. N[eurath], July 27."

Pact negotiations.² He had gained the impression from his conversations with Herr von Ribbentrop, when the latter was in London, that though they regarded France's insistence on the Eastern Pact as an unjustifiable demand, and the Eastern Pact itself as pointless, the Reich Government nevertheless considered it to be essentially innocuous after all. He therefore believed that there was some hope of Germany's adopting a favourable attitude, and he accordingly requested me to inform the Reich Government of his observations.

I first of all made it clear that, according to what he had told me, Herr von Ribbentrop had confined himself to listening to what Sir Samuel Hoare and Sir Robert Vansittart had had to say about the Eastern Pact, and had refused to express any opinions upon it. I thereupon once again gave the Foreign Secretary a detailed account of the history of the Eastern Pact plans, and of the accompanying hypocritical attempt to introduce a Franco-Russian Alliance directed against Germany, and, making reference to the texts, I stigmatized as completely dishonest the treaties of alliance concluded, under the cloak of normal mutual assistance pacts, between France and Czechoslovakia on the one hand and Russia on the other. Without explicitly saying that we refused to take part in the Eastern Pact discussions, I emphasized how unreasonable it was to demand of Germany that the Reich Government should now, by cooperating in negotiations for an Eastern Pact, to some extent countenance the alliances directed against Germany, and I added that I had grave doubts as to whether Berlin would accept a demand of this kind.

The Foreign Secretary was not unimpressed by my remarks. He said he could not help feeling some understanding and sympathy for our standpoint. He insisted, however, that only the Eastern Pact could pave the way for the Air Pact, which, after all, Germany and Britain both desired, and thus to continued efforts for the pacification of Europe.

I then expatiated on the Danubian Pact and castigated the feeble efforts hitherto made to achieve an authentic definition of the concept of non-intervention, pointing out that, according to those interested in the Danubian Pact, "non-intervention" appeared merely to mean the exclusion of Germany while all the other parties concerned intervened merrily and continuously in Austrian affairs. I further pointed out that, on account of the difficulties which had everywhere arisen owing to the divergent interests of the Pact Powers, the whole project seemed to have come to a standstill and there was little prospect of its being realized at an early date.

Sir Samuel did not contest this, and merely remarked that in these circumstances the Eastern Pact became even more important as a precondition for practical progress in European politics in future.

² See document No. 127.

I then took the opportunity, basing myself on the arguments contained in despatch No. III E 2525 of July 15,³ to make some frank comments on the Foreign Secretary's speech in the House of Commons on July 11.⁴ I explained that the speech had caused disappointment in Germany in that it had, as it were, simply ignored the many ideas and suggestions contained in our Führer and Chancellor's great speech of May 21.⁵ In spite of this important German contribution to the settlement of Europe's problems and in spite of many other important developments which had meanwhile occurred, British policy, as outlined in Sir Samuel Hoare's speech, had retrogressed to February 3 and put the outdated questions of that time in the foreground again. It was understandable that this resurrection of things of the past and disregard of the suggestions meanwhile made by Germany should have made an unfavourable impression on us.

The Foreign Secretary followed these observations with great attention and then declared that his speech of July 11 had not been intended as a reply to the Chancellor's speech of May 21, since this reply had in fact already been made by Baldwin and Sir John Simon⁶ in previous debates. Before preparing his statement he had, however, read through the Führer's speech again word for word and the wording of his speech should certainly not be taken to mean that he had ignored the Reich Chancellor's important observations. Furthermore, he wished to point out that he had taken good care not to adopt the "all or nothing" theme which the Reich Chancellor had denounced. The object of his speech had merely been to highlight those courses of action which, as matters stood at present, could alone in his opinion reanimate European politics. The fact of the matter was that the Air Pact, which was important and ripe for negotiation and upon which, in his opinion, all political efforts should be concentrated, could not be furthered without simultaneously tackling the Eastern Pact. Accordingly he must stress again and again, in spite of all the weighty arguments I had put forward, that the German Government, when deciding upon the attitude to be adopted towards the Eastern Pact, had in their hands the key to future developments.

A remark in the despatch of July 15 referred to above prompts me to emphasize particularly that Sir Samuel did not touch upon the question of Germany's return to the League of Nations, and that this question, which until lately was so much in the foreground in Britain, has recently begun to recede into the background. This does not seem to me to be surprising, since the present moment, when the future of the League of Nations seems extremely uncertain in view of

³ Document No. 207.

⁴ See document No. 207, footnote 2.

⁵ See Editors' Note, p. 171.

⁶ For statements by Baldwin and Sir John Simon on May 22 and 31 respectively, see *Parl. Deb., H. of C.*, vol. 302, cols. 359-373 and 1447-1454.

the Abyssinian problem, is hardly appropriate for starting a campaign for a truant to return to Geneva. Should the League somehow survive the Abyssinian adventure without being too seriously disrupted, then the demand for our return is certain to be revived, just as it is becoming increasingly certain that the British Government will do all they can to carry the League through the Abyssinian danger.

Sir Samuel hopes to be able to go on holiday in about ten days' to a fortnight's time. It would probably be best if I could give him a reply to his remarks by then.⁷

HOESCH

⁷ For Sir Samuel Hoare's account of some aspects of this conversation, see British Blue Book, Cmd. 5143 of 1936, No. 34.

No. 222

5747/H035874

The Chargé d'Affaires in the United States to the Foreign Ministry

Telegram

No. 145 of July 25

WASHINGTON, July 25, 1935—7:38 p.m.

Received July 26—4:30 a.m.

III A 2076.

As has been consistently reported by DNB, the wave of anti-German feeling which started in the American press after July 15¹ is attracting ever wider circles of the public here. Under pressure from Jewish elements and supported by other anti-German forces, e.g. those of France, and particularly Havas,² the general attitude to Germany has of late altered very much for the worse. All the familiar phenomena of the earlier campaign have reappeared; thus, for instance, anti-German demonstrations have again occurred in Congress after a considerable lapse of time. Following a speech by Celler, the Jewish Representative from New York, in the House of Representatives on Monday, demanding a boycott of Germany,³ Senator King, who is well known on account of his previous declarations, submitted a resolution in the Senate yesterday which more or less calls for diplomatic relations with Germany to be broken off.⁴ Although these demonstrations are not at present achieving anything (I have learned in confidence from the Chairman of the Committee

¹ The reference is to anti-Jewish disorders in the Kurfürstendamm in Berlin on July 15 (see *The Times* of July 16 and 17, 1935, and *Foreign Relations of the United States, 1935*, vol. II, pp. 401-403). Foreign nationals were amongst those molested.

² The official French news agency.

³ Representative Emanuel Celler (Democrat, New York); for the text of his speech of July 22 see *Congressional Record*, vol. 79, pt. 15, p. 12033.

⁴ Senator William Henry King (Democrat, Utah); for the text of the resolution see *Congressional Record*, vol. 79, pt. 11, p. 11766.

that even if King's resolution is moved, it will not reach the floor), there might well be a danger of serious repercussions if this agitation should last indefinitely. At present the attacks seem primarily to aim at keeping the United States out of the Olympic games. A despatch is on the way.⁵

LEITNER

⁵ Leitner's report No. 1855 of July 25 is not printed (5747/H035909-11).

No. 223

6695/E103738

Memorandum by the State Secretary

STRICTLY CONFIDENTIAL

BERLIN, July 25, 1935.
zu IV Ru. 2924.¹

Ambassador Köster, during his conversation with Léger (see his telegram No. 810 of July 24),¹ unfortunately once again set forth ideas of his own which do not accord with his instructions.² I had expressly instructed him not to refer, or to refer only very briefly, to the question of the participants. There was never any question of our "desire" to include Finland, Norway and Sweden in the Eastern Pact. I would ask that, when the telegram is circulated, this passage be deleted so as to prevent other Missions from getting the wrong ideas.³ It is further to be regretted that Köster has declared that we were not interested in France's guarantee to Russia. I had instructed him to declare that, as was known, we had always rejected this guarantee and were abiding by our attitude. Köster also seems to have failed to point out that the discussions with Simon in Berlin preceded the Stresa declaration, whilst Léger puts it in the wrong chronological order. Köster should have pointed out that the Stresa declaration was no more than a detail supplementing the Berlin discussions, and was therefore no longer of any significance. Nor did he point out that Léger, when enumerating the elements of an Eastern Pact, failed to mention the peaceful settlement of disputes (arbitration), probably for good reasons.

It is to be hoped that, as regards the Air Pact, Köster made it clear to Léger that we have no reason to press for its conclusion.¹

For the Foreign Minister
and Departments II, III, IV and V.

BÜLOW

¹ Document No. 220.

² Evidently the oral instructions which Köster received in Berlin (see document No. 218, footnote 1). In a letter to Bülow dated July 25 (4620/E200654-57), Köster stated that Bülow's letter of July 23 (document No. 218) and his own telegram (document No. 220) had crossed. See also document No. 235, footnote 1.

³ Marginal notes against this paragraph: (i) (in Meyer's writing): "I think he has confused Beck's statements (Finland, Sweden) with those of the Chancellor." (ii) (in Bülow's handwriting): "I had expressly charged him to leave the 'regional' problem to the Poles."

⁴ In telegram No. 327 of July 25 (6695/H103736-37), Bülow sent Köster instructions in the sense of the document here printed.

No. 224

5552/E394914-25

Memorandum by Ambassador Moltke[BERLIN,]¹ July 25, 1935.[IV Po. 4984 I.]¹

On the State Secretary's instructions I went to Warsaw yesterday and had an hour and a half's conversation with Foreign Minister Beck about Danzig questions.²

I referred to the conversation I had had with him on July 13 (see my report No. 915 of July 13, 1935 (IV Po. 4720)).³ I reminded M. Beck that he had on that occasion expressed concern over the way the Danzig question was developing, but that he had also declared that he had no intention whatsoever of making difficulties for the Senate. I told M. Beck that I had of course at once reported to Berlin the statements he had made at that time, and had added that his remarks had given me the definite impression that there was willingness to negotiate. I had made this comment because it had been my view even then that the conflict could only be prevented from becoming even more acute by a speedy resumption of negotiations. Scarcely a week later there had appeared the new Polish decree,⁴ which had, at the very least, made it very much more difficult to resume negotiations.

I had thereupon immediately been summoned to Berlin,⁵ and Herr von Neurath, who, although at that time absent from Berlin, had been closely following developments in the Danzig question, had instructed me to travel to Warsaw in order to discuss the question with the Polish Government. I was very grateful to M. Beck for receiving me so promptly, and I would try to set forth the Reich Foreign Minister's views.

After the conversation which Herr von Neurath had had with M. Beck in Berlin,⁶ he had hoped that there would be no need for further anxiety about the future development of the Danzig question, since it had then been agreed that henceforth Danzig questions should be treated purely as economic questions and in their local context, and that they should not, whatever happened, be allowed to assume the nature of political issues. The new decree regarding Danzig,⁴ which had caused great surprise in Berlin, undoubtedly overstepped the bounds laid down at that time. It resulted in Danzig being com-

¹ Taken from another copy (5552/E394954-66).

² In another memorandum of July 25 (5552/E394912) Moltke recorded that, following the conversation on Danzig, Beck had broached the problem of payments for Corridor traffic (see also document No. 204).

³ Not printed (9081/E637926-27).

⁴ See document No. 214 and footnote 2 thereto.

⁵ See document No. 215.

⁶ See document No. 190, footnote 8.

pletely excluded from the Polish customs area. Quite apart from the fact that this constituted a clear violation of the treaties, it had also created a situation fraught with the danger of political complications. The question now was, what would happen next? Should the Danzig Senate now apply the Polish customs tariff to the imports destined for Danzig's own use—the only imports still left her? Or should they perhaps introduce their own customs tariff, or should they in future refrain from levying any customs dues at all, thus creating a kind of free zone? One need only raise these questions in order to see that the present situation offered a very wide variety of possibilities, all of which threatened to bring Danzig affairs into the political arena, and consequently created the risk of a political conflict.

Should M. Beck wish to respond that we could, by exerting influence on the Danzig Senate, prevent such a development, then I must reply that, although certain means of exerting influence did indeed exist, they were definitely limited. He himself was aware of the situation in Danzig, and he knew that since the devaluation of the Gulden⁷ the Danzig Senate's position had quite naturally been a difficult one. If these difficulties were to be steadily increased by the measures which Poland was taking, then it would indeed become steadily harder, and in the end impossible, to persuade the Danzigers to keep calm. We would therefore not be able to counteract the developments I had described, unless Poland altered course.

A political development of this kind did not—and I had been instructed to lay particular stress on this point—in any way lie in the Reich Government's intentions. On the contrary, their wishes were quite other. It had always been our view that Danzig's inclusion in the Polish customs area was the strongest tie that bound Danzig and Poland together. And we had always hoped that Danzig would be not only a bridge between Poland and the high seas, but also a bridge between Poland and ourselves. It was therefore our desire that the situation which had prevailed so far should continue.

Upon close study of the question we thought we could say that there was no way of preventing further complications except that of resuming negotiations at once, and it would in fact be better to start today than tomorrow; three days hence it might be much harder to do so, and a week hence it might be impossible.

M. Beck replied that he was very grateful to me for coming to Warsaw, for he too believed that a discussion and, he would add, a "rectification", were indicated.

He thought the following was the case: Poland had always been at pains to be extremely accommodating with Danzig, particularly since National Socialism had taken charge there, and particularly so with the present Senate, whose difficult position he by no means failed

⁷ See document No. 65, footnote 1.

to recognize, and which he was prepared to take into account in every possible way. He would mention, as proof of this accommodating attitude, the aid which Poland had given Danzig at Geneva. He would not be revealing any secrets if he pointed out that pressure had been brought to bear upon Poland, particularly at negotiations on issues connected with Jewry and Catholicism,⁸ to take sides against the Danzig Senate. Although Poland had had to lay herself open to grave reproaches, she had not left Danzig in the lurch, and it had been primarily the Polish representative on the Council who had brought about a solution satisfactory to Danzig through the negotiations with Eden.⁹

Then had come the election period,¹⁰ and it must be said that, apart from a few small and unimportant incidents, the Polish element had behaved calmly and reasonably. Nor should it be forgotten that, when important financial questions were being deliberated in the Danzig Volkstag, the Polish deputies had courageously sided with the Senate. All this had, as we could imagine, not been uninfluenced by the Polish Government. Even when Danzig's financial difficulties grew increasingly serious, Poland did her best to help.

In this connection M. Beck also spoke of Ambassador Lipski's *démarche* with Reich Minister of Economics Schacht.¹¹ He assured me that the *démarche* had been made with the best of intentions and that its only object had been to offer Polish aid for Danzig. Unfortunately, however, the Polish Ambassador's statements had not had the desired effect, and the attitude of the Reich Minister of Economics had from the outset been so obviously unfavourable that M. Lipski had thought it better not to pursue the conversation further.

When I enquired as to what practical proposals M. Beck had at that time had in mind, he replied that it would have been for the experts to discuss the details, and when I thereupon enquired whether the Polish Government had intended to render financial assistance, he replied that this had of course been envisaged; but, as he had said before, M. Lipski had not been able to carry out his instructions in full.

M. Beck asked to be allowed to speak quite openly for once, and to say something which in fact went beyond the limits of a diplomatic conversation. He believed that frank discussion was always a good thing. It was often his impression that there were two German policies. His colleagues were constantly pointing out certain dis-

⁸ See also vol. III of this Series, document No. 224.

⁹ The reference is evidently to the statement by Eden during the League Council's meeting on Jan. 18, 1934; see League of Nations: *Official Journal*, February 1934, pp. 137-141.

¹⁰ The Danzig elections were held on Apr. 7, 1935; see also document No. 80, footnote 3.

¹¹ See document No. 149.

crepancies to him and asking him, warningly, whether he was really taking the right course. In this connection the attitude of the Danzig Senate too was repeatedly adduced as proof.

I immediately interrupted M. Beck to declare that this idea was completely erroneous and that I could by no means accept it. Germany had only one foreign policy. This policy was that of the Führer and Chancellor, and no one would dare to pursue a foreign policy which ran counter to his intentions. Of this he could be absolutely certain.

M. Beck expressed satisfaction at this reply, and then continued to adduce proof of his attempts to achieve an amicable solution of the difficulties in Danzig. He had believed it to be a particularly happy thought to send Minister Roman from Stockholm to Danzig to open economic negotiations with the Senate.¹² M. Roman was a quiet and agreeable diplomat who would always seek a settlement, and who, moreover, was thoroughly acquainted with the Danzig problem. The choice of this diplomat was in itself proof of the motives with which he had approached the negotiations. But unfortunately the Senate's attitude had been entirely unfavourable. And when M. Roman had gone to Danzig for the second time, he had not even been able to resume negotiations.

Here again I at once interrupted the Foreign Minister to point out that there must be a slight error. According to my information the position was that M. Roman had made far-reaching demands and that the Senate had made counter proposals. Thereupon M. Roman had declared that he must first go to Warsaw to report,¹² but he had not returned from Warsaw. M. Beck persisted in his assertion, and declared that M. Roman had afterwards spent eight days' leave at Zoppot¹³ (about which I know nothing).

Foreign Minister Beck then discussed the basic principles of Polish policy with regard to Danzig and declared that Poland had consistently pursued the aim of peaceful and friendly understanding. There had admittedly been much talk, and people did not scruple to suspect Poland of dubious designs. It was alleged that Poland desired nothing other than to introduce the Zloty into Danzig, along with other allegations invented simply to further obvious political ends. The truth was that Poland held that Danzig's way of life, in particular the preservation of the German community in Danzig, was an internal Danzig question in which Poland neither wished to nor would intervene. On the other hand Polish interests would of course have to be considered and safeguarded. This was a self-evident necessity. He thought it would certainly be possible—and certain periods in the past had shown it to be so—for a *modus vivendi* to be achieved on this basis. Unfortunately Polish interests had of late

¹² See document No. 158, footnote 3.

¹³ A seaside town within the territory of the Danzig Free City.

repeatedly suffered harm. For one thing it was altogether wrong that Danzig, as a transit port, should introduce foreign exchange restrictions. This ran counter not only to her own interests, but also to Polish interests and to the existing treaties. Poland had therefore been forced to take steps to prevent the threatened damage to her economy. At present the position was that on different Polish Exchanges the Danzig Gulden could be purchased at different rates. The rate below par was as much as fifteen per cent. The practical result of the situation was that on Danzig territory the Polish customs dues payable in Gulden were fifteen per cent cheaper than at other customs frontiers. When I asked who was the loser by this, M. Beck replied that it was true that the Free City of Danzig was the main loser, allowing herself for prestige reasons the luxury of thus enriching a few Jews. But the Polish revenue too was suffering loss, owing to the fact that Danzig's customs receipts were in part paid to the Polish Treasury in Gulden. Despite my repeated remonstrance that the customs receipts were transferred solely in Zloty, M. Beck persevered with his—to my knowledge erroneous—claim that a certain part of the transfer was effected in Gulden.

M. Beck then went on to say that for Poland the main difficulty created by the devaluation of the Gulden lay in the repercussions on other States, for if, by routing exports through Danzig, one paid fifteen per cent less customs dues, then this constituted an import premium for the territory of Danzig which did not apply to the customs posts on other frontiers, so that those countries who did not export via Danzig, but, for instance, via the inland frontiers, regarded it as discrimination and as a breach of certain clauses in their trade treaties; in short, the position at present obtaining was completely untenable.

It was nevertheless his opinion that these difficulties must be cleared up in such a way that there were no political repercussions. But it was also his duty to see that Polish interests were safeguarded.

I pointed out to M. Beck that the danger of political complications had arisen only as a result of the new Polish decree. I further declared that I did not consider legal argument indicated at this discussion, and that it was not part of my instructions to go into detail. I only singled out the remark which M. Beck had made about the Zloty and the double currency and said that this was probably the heart of the problem. So far I had always assumed, on the basis of the information available to me, that the Polish Government were in fact insisting on the introduction of the Zloty or the abolition [*Abschaffung*] of the double currency, and, as far as I knew, M. Roman had always laid very great stress on this point. It was of particular interest to me to hear that this assumption was not correct.

M. Beck replied that M. Roman had never put this demand in the

form of an ultimatum, nor had he ever said that the Polish side considered this demand to be a "*question préalable*". On the contrary, M. Roman had always raised a whole complex of widely varying questions for discussion.

This account does not accord with the information which we have about the Roman negotiations.¹² It was, however, my impression that M. Beck wished, by means of this statement, to abandon his previous intransigent point of view, so I confined myself to replying that there was clearly a misunderstanding here and that under these circumstances it would without doubt be worth while resuming negotiations which, in our view, was the only way of preventing political repercussions.

M. Beck thereupon gave a very clear definition of his standpoint, saying that it would be ludicrous to allow an affair of this kind to give rise to political conflicts which might endanger everything which we had built up between us, and which, he hoped, had already considerably benefited both countries. During the conversation M. Beck repeatedly expressed this hope in similar terms.

M. Beck then went on to say that he definitely thought that possibilities for negotiation still existed today. M. Roman had in the meanwhile gone on summer leave, but they would find some other suitable person to negotiate. In the meanwhile he would at once instruct M. Papée, who was in Warsaw, to have further conversations with the Senate and to meet any desire for negotiation which might be shown.

I replied that we had no opportunities for inducing such desire to negotiate and enquired whether he did not think it indicated that he himself should take the initiative. He then declared, after some hesitation, that he would instruct M. Papée so to conduct the conversations that they might lead to negotiations, given goodwill on the Danzig side. He would, however, only be able to do this if he were certain that Berlin would not work against the negotiations either directly or "indirectly", i.e., by creating the wrong atmosphere.

I replied that I was quite unable to understand this remark. I had come here specifically to inform him that the only chance of avoiding conflicts was to open negotiations, and it was therefore self-evident that we for our part would do all we could to further the negotiations rather than the reverse.

M. Beck declared that he was optimistic and once more repeated that the affair must not be allowed to give rise to political conflicts, and that it was not his intention to pursue political ends in Danzig, but that he would proceed with moderation and would also show consideration for Danzig's prestige. He could admittedly not understand why the introduction of the Zloty should be a prestige question for Danzig; but since it had been stated to be so, it must be treated as

such. He hoped that it would be possible to achieve at least a provisional solution; but, just as he would take Danzig interests into account in the whole *modus vivendi*, so Polish interests too must be duly taken into account.¹⁴

MOLTKE

¹⁴ In telegram No. 15 of July 25 to the Consulate General in Danzig (5552/E394947-49) Bülow gave a brief summary of Moltke's conversation with Beck, requested that Greiser be informed, and stated that Germany expected that the Senate would now enter into negotiations and work towards a practical understanding.

No. 225

4619/E198141-43

Foreign Minister Neurath to State Secretary Bülow

Temporarily at LEINFELDEN (WÜRTTEMBERG).

July 26, 1935.

DEAR BÜLOW: Köster's telegram of July 24¹ on his conversation with Secretary General Léger astonished me. We must, I think, ask Köster to keep more closely to his instructions. None of us said anything about it being our desire that Finland, Norway and Sweden should be included in the Eastern Pact.² Köster's statement that we are not interested in France's guarantee to Russia is even flatly in contradiction to his instructions which were to explain that we reject this guarantee. Moreover, I expressly told Köster, and so did you as far as I know, that, if the French should refer to the Stresa declaration, he should stress that this was merely supplementary to the Simon conversations and that the situation had meanwhile changed completely as a result of the conclusion of the Franco-Russian and Russo-Czech assistance pacts which are directed solely against Germany.

It seems to me that these points should be brought to Köster's attention once again before he goes to see Laval and that he should be instructed once again repeatedly to stress, in discussions with the French, that we have no reason to press for the early conclusion of an Air Pact.³

As for Léger's remark that the French Ambassador too had been instructed to inform Berlin that France desired the conclusion of an Air Pact, it should, I think, be pointed out that this declaration was always made conditional upon the simultaneous fulfilment of the other French demands, namely the conclusion of an Eastern Pact and a Danubian Pact.⁴ In any case, we have, now as previously, no

¹ Document No. 220.

² See also document No. 223.

³ Marginal note in Bülow's handwriting against this paragraph: "My letter of July 23 [document No. 218]."

⁴ Marginal note in Bülow's handwriting against this sentence: "Does not correspond with Fr[ançois]-Poncet's statements."

cause to communicate to the French direct the draft Air Pact which we drew up at Britain's request. Moreover, it would be best to begin by awaiting the questionnaire which the British proposed to send⁵ and which seems perfectly designed to postpone the Air Pact negotiations *ad infinitum*. It might perhaps also be worth while to hint to the British that the proposal to conclude an Air Pact came from them and that though we agreed with this idea, because we thought it would be the easiest to put into practice, we never would have agreed to discussing the Air Pact only in conjunction with the other pact constructions. Nor do I see why we should do Mr. [*sic*] Samuel Hoare the favour of answering the Commons' questions before he goes on leave.⁶ If he points out that we have not yet stated our views on the Eastern Pact question, the House of Commons will adjourn for the recess in spite of this statement. Please consider whether we should not instruct Hoesch to let it appear, in conversation with the British, that we have tried to get the French to give us certain explanations of their attitude to the Eastern Pact (Köster's instructions).⁷

Yours etc.,

NEURATH

⁵ See document No. 219.

⁶ See document No. 221.

⁷ In despatch e.o. II R 1790 of July 30 (7846/E569342-43) the Embassy in London were instructed to hold language on the Air Pact in the sense of the document here printed.

No. 226

5552/E394905-06

Memorandum by the Director of Department IV

BERLIN, July 26, 1935.

IV Po. 5009.

President Greiser has just telephoned and informed me that M. Papée is to visit him at 12 o'clock and apparently wishes to reopen the negotiations.¹ Herr Greiser considers the opening of negotiations at the present moment, as long as the Polish decree remains in force, to be extremely dangerous and inexpedient.²

In reply, I asked him to telephone me again in half an hour's time, as I had been away yesterday and was not yet sufficiently informed of the result of Herr von Moltke's conversation with M. Beck.³

I should like to give him the following directives:

1) The conversation with Papée is to be conducted in such a way as to demonstrate clearly Danzig's willingness to remove the difficulties by negotiation,

¹ See also document No. 224.

² The words "to be extremely dangerous and inexpedient" were underlined by Bülow and a marginal note in his handwriting reads: "Gr[eiser] has no right to say this."

³ See document No. 224.

2) A discussion on the rescinding of the decree by Poland⁴ or on the rescinding of the interdiction of the decree by Danzig⁵ is to be avoided and the settlement of the points at issue is to be reserved for the negotiations,

3) It can be pointed out by Danzig that the main difficulty would appear to arise from the fact that the Gulden is being quoted at 10–15 per cent below par in Poland and that, as a result, the payment of customs dues has given rise to complaints. Danzig could express willingness to cooperate with Poland in seeking ways and means to check this undesirable speculation in the Gulden,

4) The aim is to commence negotiations; but these must take place immediately and must not be long drawn out.⁶

MEYER

⁴ See document No. 214, footnote 2.

⁵ See document No. 215, footnote 3.

⁶ Marginal notes: [i] "Approved. B[ülow], July 26." [ii] "Sen[ate] Pres[ident] Greiser was informed accordingly and in good time (see attached memorandum [document No. 227]). Meyer, July 26." [iii] "Approval given by telephone on July 26. v. N[eurath], July 27."

No. 227

8828/E614493-94

Memorandum by the Director of Department IV

BERLIN, July 26, 1935.

IV Po. 5013.

I transmitted the Foreign Ministry's views to President Greiser and stated that these instructions were being issued with Herr von Neurath's approval.¹ Herr Greiser expressed serious doubts about these instructions and stated that the aim could not be achieved in this way; he was against opening negotiations as long as the Polish decree² remained in force. The negotiations would be protracted and would lead to nothing, because

1) Danzig would in the meantime be completely ruined through the Polish measures,

2) The predominant position of Gdynia would be further developed and strengthened,

3) The only opportunity of solving the political problem of Danzig would pass by.

I replied that a discussion with Poland on the rescinding of the Polish decree would be pointless, because it would drag on for days without producing any result; the question of rescinding the [Polish] decree as well as the [Danzig] interdiction of the decree³ must be settled *immediately* in the negotiations by finding a practical

¹ See document No. 226 and footnote 6 thereto.

² See document No. 214, footnote 2.

³ See document No. 215, footnote 3.

solution of the disputed points. The most important thing was to bring about a *speedy* settlement which would not raise any political issue and which safeguarded Danzig's economic existence. M. Beck had informed Herr von Moltke that Poland no longer insisted on the introduction of the Zloty or of a dual currency and was prepared to enter into negotiations with Danzig.⁴

Herr Greiser said that he could not immediately comply with this directive; he would deal with the matter in a dilatory way in his conversation with Papée today, and would telephone me again afterwards.⁵ He would then probably telephone Berchtesgaden. I then told him that it would be advisable to discuss the question in Berlin first, whereupon he said that would take up too much time; the Ministers should travel to Berchtesgaden and meet him there.⁶

I then again set forth the Foreign Ministry's views as summarized in the four points.⁷

MEYER

⁴ See document No. 224.

⁵ In a further memorandum of July 26, IV Po. 5010 (8828/E614496-97), Meyer recorded information given him by Greiser about the conversation with Papée, which Greiser said he had conducted in a dilatory manner. A minute on Greiser's conversation with Papée on July 26 was telephoned from Danzig on July 29 (5552/E394881/1-882).

⁶ No record of any such meeting at Berchtesgaden has been found.

⁷ See document No. 226.

No. 228

8656/E606050-52

The Minister in Yugoslavia to the Foreign Ministry

1591 Po. 2 No. 2

BLD, July 26, 1935.

Received August 2.

II Oe. 2102.

POLITICAL REPORT

Subject: Yugoslavia's views on the question of the restoration of the Habsburgs in Austria.

With reference to your telegram No. 43 [*sic*] of July 10,¹ 1935.

In the course of a discussion on the political situation, the Minister President and Foreign Minister, Stojadinović, yesterday reverted to the question of a restoration of the Habsburgs in Austria. He told me that the Austrian Government had recently several times given him assurances to the effect that the restoration question was not acute and that there was no intention of suddenly creating *faits accomplis*. On the other hand, on the occasion of the Prince Regent's visit to Sinaia,² it had again been established that the Little Entente

¹ Telegram No. 44 of July 10 is meant; see document No. 198, footnote 6.

² Prince Regent Paul of Yugoslavia visited Sinaia, the Rumanian royal summer residence, July 12-14, for conversations with King Carol. Foreign Minister Titulescu, as President of the Little Entente and of the Balkan Entente, took part in these discussions.

were united in rejecting a restoration and were determined on energetic opposition. All this, however, was not enough to reassure him completely. He was convinced that restoration was the aim of the present Austrian Government, even though its realization was not intended to take place from one day to the next but in stages. The day when a restoration was attempted would certainly come some time and must therefore be reckoned with. We must prepare ourselves in good time against this day. Yugoslavia was firmly resolved to offer energetic opposition and was prepared "to go a very long way" in the manner of this opposition. The attitude of the other interested countries would, of course, be of decisive importance in determining how effective this opposition would be. If ever a choice had to be made between "*Anschluss* or restoration", he had no illusions regarding the attitude of Paris and Prague. Hence his great interest in Germany's attitude. It appeared to him advisable to consider carefully what concrete measures it would be possible to take in the event of an attempted restoration. What did Berlin think about this?

I took the opportunity of explaining the German attitude to the Minister President in accordance with the instructions contained in your telegram under reference on language to be held. We were, I said, in fact adhering strictly to the principle of non-intervention in Austria's internal affairs, and we did not consider ourselves to be in the first line of countries affected by the question of a restoration; but we held the view that as matters stood at present in Austria an unexceptionable plebiscite was highly improbable, and we fully shared the Yugoslav view that a restoration of the Habsburgs in Austria would be a matter of international importance, the repercussions of which might endanger peace in the Danubian region. I did not, of course, know what action we could and should consider our attitude required us to take if the case in fact arose. This would ultimately depend on the accompanying circumstances and on the whole political constellation at the time. I should, however, be happy to transmit his question to my Government and to continue to keep in close touch with him on this matter.

The Minister President then asked me to treat the question raised by him as absolutely confidential.³

VON HEEREN⁴

³ Marginal note: "It is as usual desirable for us to exercise caution and not allow ourselves to be forced into the rôle of the storm troop leader. v.N[eurath], Aug. 2." In a despatch of Aug. 5 (8656/E606053-54) Heeren was instructed to refrain, for the time being, from further discussion of the Habsburg question with the Yugoslav Government, without, however, giving the appearance of evasion. Copies of this despatch were also sent to the Missions in Rome, Paris, London, Prague, Budapest, Bucharest, Vienna, Sofia, Brussels and Berne.

⁴ The copy here used is certified by a chancery official as having been signed in draft by Heeren.

No. 229

7846/E569329-35

*Count de Kerchove to Ministerialdirektor Köpke*¹

No. 9254

BELGIAN LEGATION.
 BERLIN, July 26, 1935.
 II R 1778.

DEAR MINISTERIALDIREKTOR: Further to the conversation which we had this afternoon,² I have the honour to send you enclosed a copy of the Belgian Government's statement of their views on the Air Pact, particularly regarding the special points of the agreement on the limitation of armaments in the air and the agreement for the limitation of bombing from the air.

As I told you, the German Legation at Brussels has been informed of the Government's views on this subject,³ but "*bis repetita placet*", said Virgil, and I am therefore happy to be able to inform you of the precise views of His Majesty's Government on a subject of particular importance to our two countries.

Permit me to thank you once again for having accepted my modest hospitality and believe me, my dear Ministerialdirektor,

Yours etc.,

COUNT DE KERCHOVE

[Enclosure]

THE BELGIAN GOVERNMENT'S VIEWS ON THE PROPOSED AIR PACT
Air Pact for Mutual Assistance.

We are aware of the French and British projects. They give rise to objections or reservations on our part with regard to the following points:

1. Like Britain, Belgium would not, particularly by reason of the distance and the insufficiency of her forces, be able to undertake, either directly or indirectly, to render aid to Italy.

2. The definition of aerial aggression which, by the terms of the proposed agreement, would invoke the obligation to lend immediate assistance, cannot be separated from the system of rendering immediate assistance under Article 4, Section 3, of the Rhine Pact of Locarno of 1925. Under this provision immediate assistance depends on three conditions: Firstly, there must be *flagrant* violation of Article 2 of the Pact or *flagrant* contravention of Articles 42 or 43 of the Treaty of Versailles; further, the Guarantor Power whose assistance is

¹ This document and its enclosure are in French in the original.

² No memorandum on this conversation has been found, but see also footnote 12 below.

³ In despatch A 216 of July 27 (7846/E569340-41) Bräuer reported a conversation with van Langenhove, Secretary General of the Belgian Foreign Ministry, on this subject.

requested must have been able to ascertain that this violation or contravention constitutes an act of unprovoked aggression, and finally, by reason of either the frontier having been crossed, or of the opening of hostilities, or of the assembling of armed forces in the demilitarized zone, immediate action must be recognized as necessary. Now the French project tends to eliminate the condition of non-provocation. Its adoption would entail the coexistence of two different systems as regards the application of the guarantee envisaged amongst the States Signatories of the Rhine Pact. This would be a source of confusion which would affect the efficacy of this Pact, which Belgium considers to be the essential element in her own security.

3. Is it opportune to envisage, as does the French project, the conclusion of bilateral agreements designed to lay down the technical modalities of applying the obligation of assistance? If this principle were to be admitted, all the Signatories indiscriminately might claim to benefit under it. Various reasons of expediency, however, would render the conclusion of an agreement of this nature between Belgium and Germany difficult. On the other hand, if bilateral agreements were to be concluded amongst all the Signatory Powers excepting Germany, the latter would be able to denounce them as contrary to the spirit in which the Rhine Pact was concluded and, instead of strengthening this Pact, its authority would, on the contrary, have been diminished.

Agreement for the Limitation of Air Armaments.

In his speech of May 21,⁴ Chancellor Hitler declared that "the limitation of the German air armaments to parity with the individual Great Powers of the West makes it possible at any time to fix a maximum which Germany will be under a binding obligation to observe."

The British Government seem to have adhered in principle to this statement. In effect, when speaking in the Commons on May 23, [*sic*: 22], Mr. Baldwin, referring to Chancellor Hitler's words, expressed himself in the following terms: "Some parity in numbers is an almost necessary step to make easier the two things that we most desire; that is some form of collective security like the proposed Air Pact [. . .], and some method of limitation."⁵

From the quantitative point of view, such an agreement does not appear to present any difficulties from the Belgian point of view. The draft convention submitted on March 16, 1933, by the British Delegation to the Disarmament Conference,⁶ assigned 150 aircraft to Belgium as against 500 aircraft to France, Italy and the United Kingdom respectively, which corresponds to a ratio of 1:3·3.

⁴ See also Editors' Note, p. 171.

⁵ For the full text of this speech see *Parl. Deb., H. of C.*, vol. 302, cols. 359-373.

⁶ See League of Nations: *Conference for the Reduction and Limitation of Armaments, Conference Documents*, vol. II, pp. 476-493 (Conf. D. 157 (1)).

The limitation of air armaments presents a more difficult problem, that of *supervision*. The ease with which Germany has been able, without the knowledge of other Powers, to create a formidable military air force, demonstrates the importance of this problem.

This supervision cannot be limited to military aviation. It must be extended to civil aviation to prevent the latter being used for military purposes.

In a Memorandum submitted to the Disarmament Conference on February 5, 1932,⁷ the French Delegation proposed to internationalize civil transport aviation under a regime organized by the League of Nations. The realization of a project of this kind presents great difficulties and it does not seem that it could be achieved in the near future.

The draft convention submitted to the Conference by the British Delegation on March 16, 1933, proposed the introduction of special supervision for civil aviation. In view of their possible use for war, the construction of civil airships was to have been forbidden. The contracting parties undertook to furnish the League of Nations annually with information as to the number and character of the civil airships, and as to the conditions under which they were being used. They recognized the right of duly qualified representatives of the League of Nations to inspect freely and at all times all civil airships.

It would be as well to examine how far such provisions could be taken up again today and applied within the limited scope of the proposed Air Pact.

Another important aspect of supervision is that concerning the production of and trade in arms. At the end of 1934, the United States Delegation submitted a draft convention on this subject,⁸ which is still under consideration by the Disarmament Conference. It would be desirable also to consider whether this Convention could not be partially applied, in so far as aviation materials are concerned, among the Signatories of the Air Pact. This agreement would be capable of subsequent extension to include other war materials and at the same time other Signatories.

Agreement for the Limitation of Aerial Bombardment.

In his speech of May 21, Chancellor Hitler made the following concrete proposal on this subject:

"The German Government consider as erroneous and ineffective the idea of doing away with aeroplanes while leaving bombardment free. But they believe it possible to proscribe the use of certain arms as contrary to international law and to outlaw those nations still using them from the community of mankind, its rights and its laws. Here

⁷ See *op. cit.*, vol. I, p. 113 (Conf. D. 56).

⁸ See *op. cit.*, vol. III, p. 776 (Conf. D. 167).

also they believe that gradual progress is the best way to success. For example, there might be prohibition of the dropping of gas, incendiary and explosive bombs outside a zone corresponding to the real battle zone. This limitation could then be maintained until such time as aerial bombardment was completely outlawed. But so long as bombing as such is permitted any limitation of the number of bomber aircraft is questionable in view of the possibility of carrying out bombardments by means of other machines. Should aerial bombing as such be branded as a barbarism in conflict with the rights of man, the construction of bomber aircraft will soon be abandoned as superfluous and of no purpose."

In his speech of May 31 in the House of Commons,⁹ Sir John Simon would appear to have taken up this idea which, in his view, should form the third part of the proposed pact. He said that it would be necessary to achieve an agreement designed to prohibit indiscriminate bombing ("outlawry of indiscriminate bombing").¹⁰

These suggestions take up once more an idea which was formulated in the very first phase of the work of the Disarmament Conference. It is a question, in order to safeguard the civil population as much as possible, of not authorizing bombing from the air except within the bounds of certain zones and of the zone of military operations in particular (see more especially the French Delegation's proposal of February 5, 1932⁷).

A concept of this kind has always been vigorously opposed by Belgium. We have maintained that the delimitation of zones in which, according to this proposal, bombing from the air would still be permitted, could not be achieved with sufficient exactitude and certitude, and that in practice it would not be effective. Is it not to be feared that Belgium, with her numerous urban areas, her extremely dense network of roads and railways, would for a large part be included in the military zone? She would therefore be liable to heavy bombardment from the air, while the formal prohibition would keep the other belligerents safe from bombardment.

The Disarmament Conference recognized the force of these observations. On July 23, 1932, it adopted a resolution¹¹ whereby the contracting parties undertook to abolish amongst themselves all bombing from the air, provided agreement was reached on the measures to be taken to render this decision effective. On the other hand Article 34 of the draft convention presented on March 16, 1933, by the British Delegation, defines this general prohibition in the following words: "The High Contracting Parties accept the complete abolition

⁹ See *Parl. Deb., H. of C.*, vol. 302, cols. 1447-1454.

¹⁰ In English in the original.

¹¹ See League of Nations: *Conference for the Reduction and Limitation of Armaments, Preliminary Report on the Work of the Conference* (prepared by the President, Mr. Arthur Henderson), pp. 148-151.

of bombing from the air" (except for police purposes in certain outlying regions). It is appropriate to recall that the British draft was adopted unanimously by the States represented at the Disarmament Conference as the basis for the proposed Convention.

For the reasons which I have indicated, the Government consider that the outlawing of bombing from the air, if provided for in the proposed Pact, should be general. They could not accept a limitation which would, in fact, render the prohibition valueless for Belgium and would be of interest only to the other Signatory Powers.¹²

¹² A letter from Köpke to Bräuer of Aug. 5 (7846/E569338-39) reads: "Recently, on the occasion of a private luncheon, the Belgian Minister here informed me in confidence of his Government's views on the question of a Western European Air Pact. He then sent me a memorandum which he had received from the Belgian Foreign Ministry. I enclose a copy of this memorandum and of the Minister's covering letter for your information. As you will see from the covering letter, Count Kerchove thought that you had already been informed orally in Brussels of the contents of the memorandum. As I gather from your report A 216 of July 27 [cited in footnote 3 above], the statements which Langenhove made to you were much more general and non-committal; it is therefore possible that, in communicating the memorandum to me, Kerchove went somewhat further than was desired in Brussels. I should therefore be grateful if you would treat the memorandum as strictly confidential and not give any indication to Government circles your end of the fact that you are informed of its contents. We have not forwarded it to other Missions. As you will see, the memorandum is of exceptional interest because of the information about the Belgian attitude which it provides. Moreover, it enables us to draw certain conclusions about the substance of the proposals on the Air Pact question which the French have communicated to the British Government and of which we have so far remained in ignorance." In a letter of Aug. 15 (7846/E569344-46) Bräuer replied that he was convinced that the memorandum had not been intended for communication to Germany.

No. 230

8753/E610766-69

The Foreign Minister to the Embassies in (1) France, (2) Great Britain, (3) Italy, and (4) to the Legation in Belgium

IMMEDIATE

To 1-4

BERLIN, July 27, 1935.

zu V 10718¹ Ang. II.

Subject: The Franco-Soviet Agreement and the Treaty of Locarno.

To 1: With reference to the French Government's Memorandum transmitted in your telegram No. 680 of June 25, 1935.²

To 2: With reference to the British Government's Note transmitted with your Report A 2366 of July 6, 1935.³

To 3: With reference to the Italian Government's *pro memoria* of July 15, 1935, transmitted with your Report No. I 464 of that date.⁴

¹ Document No. 213. Angabe I is a memorandum by the Deputy Director of Department V, dated July 23 (see document No. 218, footnote 1).

² Document No. 170.

³ Document No. 196.

⁴ Document No. 210.

To 4: With reference to the Belgian Government's *aide-mémoire* of July 19, 1935, transmitted with your Report A 207 of that date.¹

To 1-4: You should make the following oral declaration to the Government to which you are accredited:

"The German Government are now in possession of the replies which the four other Signatory Powers of the Locarno Treaty have made to the German Memorandum of May 25, 1935.⁵ The German Government welcome the declarations of the French, British, Italian and Belgian Governments concerning the importance of the Treaty of Locarno, and are in agreement with them that 'the dispositions of the Rhine Pact of Locarno cannot legally be modified or defined by the fact that a treaty has been concluded with a third State by one of its signatories'. They are happy to take cognizance of the statement by the two Guarantor Powers that the rights and duties of the Guarantors of the Treaty of Locarno can in no way be prejudiced or altered by any act on the part of another Signatory to the Treaty.

The German Government cannot, however, agree to the legal arguments contained in the French Government's Memorandum which the other three Governments support. They do not expect any advantage to be gained by a further exchange of legal memoranda and consider that sufficient opportunity for the necessary further discussions will be provided by the Treaty negotiations elsewhere."

If, following the above declaration, a detailed conversation on the subject should develop, you should point out that no satisfactory reply has been given to our grave objection regarding the legal compatibility of the Franco-Soviet Treaty with the provisions of the Treaty of Locarno and the Covenant of the League of Nations. Our main objection, as is known, is that, in the case of a conflict between Germany and the USSR, France claims the right to decide, at her own free discretion, as to who is the aggressor and to ignore all commitments under the Treaty of Locarno by reason of this decision. If the French Government maintain that they will not in any way intervene without having obtained the agreement of the Guarantor Powers of Locarno, this statement has a certain political importance but does not change the legal contents of the Treaty of Mutual Assistance and the inadmissible interpretation of Article 16 of the Covenant of the League of Nations. Under this interpretation, Article 16 becomes a means for France to free herself from all commitments, not only under the Covenant of the League of Nations, but also under all Treaties connected with it.

To 1: The Embassies in London and Rome and the Legation in Brussels.

To 2: The Embassies in Paris and Rome and the Legation in Brussels.

⁵ Document No. 107, enclosure.

To 3: The Embassies in London and Paris and the Legation in Brussels.

To 4: The Embassies in London, Paris and Rome.

To 1-4: have received identical instructions.⁶

V. NEURATH

⁶ A copy of the document here printed was sent by Neurath to Lammers under cover of a letter of July 30, with the request that it be submitted to Hitler for his information (7562/E542206-09). It is marked: "(1) The Führer is informed. (2) To the Referent for information. (3) To be filed. L[ammers], Berchtesgaden, Aug. 6, 1935."

No. 231

6695/H103798-802

The Ambassador in France to the Foreign Ministry

Telegram

No. 827 of July 27

PARIS, July 27, 1935.

Received July 27—11:25 p.m.

IV Ru. 2970.

The following points from today's interview with Minister President Laval may be of interest. My replies and interjections have been omitted for the sake of brevity.

The Minister President showed no inclination at all to go into details such as the interpretation of Article 16 or the German Stresa declaration, etc., etc. He took the view that the whole problem should be approached from a practical rather than from a legal angle. In the last analysis what mattered was to achieve the objective which he had always kept in sight despite all difficulties, namely, a settlement of the points at issue between Germany and France, hence France, and particularly he himself, would take pains to understand the German point of view and to allow for it as far as possible. The policy pursued by the Führer and Chancellor was quite plain to him; it consisted primarily in the fight against Bolshevism, which had of recent years been a graver threat to Germany than to France. The Führer and Chancellor could rest assured that France, and indeed every sensible State, appreciated the danger of Bolshevism and could not but see the necessity for counter measures. In France, at any rate, the danger was not underestimated. If the view obtained in Germany that, through her Treaty, France wanted to lend herself to playing the Russian hand, it was an entirely mistaken view. France's object in signing the Franco-Russian Treaty had been quite the reverse. She had wanted to induce Russia to abandon the idea of bolshevizing Europe and to adopt the active European policy which was essential for general peace and, above all, for economic reconstruction. This had, however, been made possible only by France's giving Russia security against unprovoked attacks by third parties, particularly by Germany in her new incarnation, which Russia so

much feared. We must not forget that the Franco-Russian Treaty had been concluded for 5 years only. This in itself showed that in the long run France did not wish to engage in a Franco-Russian policy of the old style. France hoped that Germany would not withhold her cooperation and would undertake the obligation not to attack Russia, etc., etc. Once Germany undertook this obligation, France would "hand her paper back to Russia".

Moreover, he did not understand why we were so displeased about the Czechoslovak-Russian Treaty. Czechoslovakia would never have concluded this treaty if the Franco-Russian Treaty had not preceded it. And in any case it was silly to think that Czechoslovakia, in her geographical position, could pursue a policy which would relegate her completely to Russia's orbit. For obvious reasons Czechoslovakia's foreign policy was linked, now as previously, to that of France for better or for worse. He had been much interested in the data which General Göring had given him,¹ according to which Czechoslovakia had prepared a large number of airfields for Russian planes in Czechoslovakia. He had tackled Beneš on this, and the latter had most emphatically denied that any such preparations were in progress. In these circumstances he thought it most important that we should provide him with serviceable data demonstrating the correctness of the information furnished by Herr Göring. If our data proved Beneš' denial to be false he would not hesitate to have the whole thing out very thoroughly with Beneš.

The Minister President went on to say that it was clear to him that the French Communists desired a different policy. This was a matter of indifference to him. The present *Front Populaire* would disintegrate of its own accord the moment a non-aggression undertaking had been entered into by Germany. The Socialists and Radical-Socialists earnestly desired peace. Once Germany had made a declaration, the French Communists would either have to give way or to withdraw from the *Front* into isolation. It was these considerations which had led him to adopt the idea, originally put forward by Germany, of non-aggression and mutual consultation and to send us his Memorandum of June 3,² particularly since he had realized, from his many conversations with me, that from the German point of view we were justified in opposing the pact of mutual assistance. Once the foundation had been laid, one end of the tangle would have been found and one could hope to unravel it.

If Germany were at the moment hesitant about concluding an Eastern Pact on the basis of non-aggression, because she imagined the aims and repercussions of the Franco-Russian Treaty to be

¹ This would appear to refer to the conversation which took place at Cracow on May 18; see document No. 98, footnote 2, and also document No. 129.

² See document No. 127.

suspect, one might try to choose another point offering a chance of agreement from amongst those set forth in the London Communiqué.³ He had noted with interest the passages in the Führer and Chancellor's speech about the necessity for disarmament and Germany's willingness to disarm under the familiar conditions. It might be worth considering whether this point should not be tackled first and brought to a successful conclusion, particularly as it primarily affected France. This might then perhaps encourage a solution of the other questions raised in the above-mentioned Communiqué. Germany must, however, understand that it was incompatible with French foreign policy to solve only one point and to allow the others to disappear from view. They must insist that whatever happened all the points mentioned in the Communiqué should be satisfactorily settled. Which point should come first on the agenda was a matter of expediency. The Foreign Minister then enumerated the points, beginning with the Danubian Pact (I interpolated that no other side had approached us on this again), then the Eastern Pact, then the Air Pact and Germany's return to the League of Nations. He did *not* consider Germany's return to the League of Nations an essential precondition for a general agreement on the basis of the Communiqué. The Minister President laid particular stress on this last sentence, and requested me once again to emphasize in my report that he wished to find a common course with us which would initiate a new phase in European foreign policy. He particularly urged us not to allow ourselves to be too much influenced by our (partially justified) reactions to past events. We could rest assured that he would make it his business to see that Germany's wishes were given the same attention as those of France. Only the common search for a middle way could lead to freedom.

Laval further told me that he wished to have frequent and detailed discussions on these ideas with me once he had acquitted himself of the tasks imposed upon him by the domestic situation. He hoped that he would have become master of the situation in a fortnight's or three weeks' time. He intended to issue several more emergency decrees, which would, amongst other things, result in relieving the burden on debtors in many ways. He would of course be attacked for this interference in private business. But he was not afraid of these attacks, for he knew his compatriots too well. As soon as they realized that measures of this kind would make economic life as a whole more free, even at considerable sacrifice, they would follow him. Public opinion would simply force Parliament to follow the line he had indicated. It would therefore simply not be necessary for him to take any steps against the will of Parliament.

³ i.e., the Joint Anglo-French Communiqué of Feb. 3, 1935; see document No. 46, footnote 3.

Since, moreover, he intended not to convene the Chamber until the second half of November, in view of the Senate elections which were due in October, that is to say after the various finance committees had completed their tasks, he would gain time to devote himself to the German-French problem in its widest implications. If by this time he had succeeded simply in proving to French public opinion that there was indeed a silver lining, then this in itself would be a great step forward. To this end he therefore appealed to the statesmanlike vision of the Führer and Chancellor and requested his cooperation.

With regard to the Abyssinian question the Minister President's outlook was very pessimistic. He said that at the moment he saw no possibility of a *détente*. This was mainly due to the deployment of extremely strong Italian forces in Africa, which was making it almost impossible for Mussolini to retreat without losing face. The British thought exactly as he did and were very worried about it. In any case, one could not, even with the best will in the world, predict what the Geneva conversations would bring forth.

KÖSTER⁴

⁴ Another copy (2406/510947-51) bears a marginal note in Neurath's handwriting: "Is it M. Laval or Köster who is being too optimistic?" The document here printed was copied to the Missions in London, Rome, Moscow, Warsaw, Kovno, Riga, Tallinn, Helsinki, Prague, Bucharest, Brussels and Berne, and the Consulate at Geneva, under a covering note of July 29, 1935 (6695/H103803), for their confidential information.

No. 232

Nuremberg Document 2248-PS
Exhibit USA-63

*The Minister in Austria to the Führer and Chancellor*¹

VIENNA, July 27, 1935.

Subject: One year after the death of Federal Chancellor Dollfuss.
Review and prospects.

I have reported in detail elsewhere² on how the anniversary of the death of Federal Chancellor Dollfuss³ has been commemorated during the past few days. The scale of the commemoration would have been worthy of the memory of some great king. One cannot but admit that the Government have succeeded in representing Dollfuss as a martyr for the "Austrian idea". They have made use of the experience of all past history that, by creating martyrs, an idea—however slight may be its basis of fact—can be enthusiastically fostered and be made to produce certain results. The solemnities of July 25 and the sym-

¹ No copy of this document has been found in the Foreign Ministry files. The Nuremberg exhibit would appear to have been taken from the files of the Führer's Adjutants.

² In report A 1753 of July 26, 1935 (M288/M012041-44).

³ Dollfuss was murdered on July 25, 1934. See vol. III of this Series, documents Nos. 115, 119 and 125.

pathy evinced by world public opinion have, moreover, shown that the German-Austrian problem continues to dominate the whole of European policy and that the question of a solution remains entirely open. The Austrian press is now taking stock of the past year, describing it as a "year of progress" in all spheres. In one respect only is it described as having failed to produce any results, namely in that of the mutual relations of the two German States. The Führer's speech of May 21, 1935,⁴ and Schuschnigg's reply⁵ are said to have shown that there do not as yet exist bridges to span the gulf between Vienna and Berlin. But it is nevertheless held valuable to note that there has been no exacerbation of this regrettable conflict on either side. It seems to me to be appropriate to make use of this occasion to take stock ourselves as well.

At first it seemed as if the failure of the July *Putsch* of 1934 must merely lead to a temporary change in the political methods employed so far. Only in the course of this year has it become apparent that the repercussions of July 25, both in domestic and foreign policy, have assumed proportions which far exceed—from Germany's point of view—our assessment at the time of the possibility of repairing the damage.

The reconciliation of German-Italian differences, hoped for as the outcome of the personal conversations at Stra between the Führer and Chancellor and the Italian Head of State,⁶ has instead been transformed into the precisely opposite effect in consequence of the threatening attitude adopted by Mussolini following the shooting of his friend Dollfuss, and the partial mobilization of Italian units on the Brenner. It became apparent that the attempt made in sending me to Vienna "to restore normal and friendly relations"⁷ was not going to succeed easily after what had happened. The distrust of the violent methods of the Austrian NSDAP—influenced, as transpired more and more from the trials held, by leading Reich Germans—was too great, the terrorist methods and the death of the Federal Chancellor had made too deep an impression on a very wide circle of people.

My assumption of my mission met with a most frigid reception and marked disapproval—not personal but political.

It might still, as I believed and reported in October and November last,⁸ have been possible to unravel the German-Austrian tangle by means of agreements defined in writing between Berlin and Vienna, and to rob it of its far-reaching effects on the incipient re-alignment in European power politics. Mussolini—as has been quite obvious in

⁴ See Editors' Note, p. 171.

⁵ Of May 29; see also document No. 111, footnote 9.

⁶ On June 14, 1934; see vol. III of this Series, documents Nos. 5, 6 and 7.

⁷ For Papen's letter of appointment from Hitler of July 26, 1934, see vol. III of this Series, document No. 123.

⁸ See vol. III of this Series, document No. 235 and footnote 4 thereto.

the last few months—was seeking a substitute for German friendship and a guarantee against the German menace which he continued to see in the undiminished influence exerted on Austria, according to the Vienna Cabinet, by German National Socialism to an equally strong degree even *after* July 1934. The January Conference in Rome⁹ placed Franco-Italian relations on an entirely new footing. All Europe spoke of the necessity of guaranteeing Austrian independence by a non-intervention pact. The Führer's historic decision to give the Reich back military sovereignty¹⁰ was bound to promote not only Franco-Italian relations but the solidarity of the Western Powers and the inclusion of Russia in the European concert. The Stresa Conference¹¹ was the visible expression of this new grouping of forces which was then temporarily sealed by the Franco-Russo-Czech Pact.¹²

The Führer's great and historic speech of May 21 last, and later the Naval Agreement,¹³ brought about a considerable political *détente* in our foreign relations where Britain was concerned. But the clear and final definition of the attitude of National Socialism to the Soviet State doctrine naturally caused Russia and France to redouble their efforts to paralyse us in the East and South-East, whilst on the other hand the clear renunciation of the annexation or *Anschluss* of Austria failed to produce any *détente* in the opposite direction.

Any attempt on the part of the newly formed Third Reich at an economic and even more at a political offensive in the South-East of Europe must necessarily come up against a united European front. With the British it is concern for the general maintenance of European peace, with the French the struggle to assert their hegemony in Central Europe, with the Italians anxiety about the Brenner and the effects in the Danubian region which they view as an Italian sphere of expansion. With the Little Entente it is the fear that the whole question of their existence will be at stake, and even though Yugoslavia may today be showing interest in the consolidation of our position in Austria, this is, after all, for just as long as she can play us off politically against Italy. Until there has been a complete reconciliation of Anglo-German interests, which would entirely alter Great Britain's relations with France with regard to the re-alignment of European forces, Yugoslavia will be thrown back on her natural dependence on the French system of alliances. It is possible that the

⁹ A reference to Laval's meeting with Mussolini in Rome, Jan. 4-8, 1935. For the agreements then reached see vol. III of this Series, documents Nos. 405, footnote 1, 408, 409 and 417.

¹⁰ On Mar. 16, 1935; see vol. III of this Series, document No. 532.

¹¹ Held Apr. 11-14, 1935, between representatives of Britain, France and Italy. See documents Nos. 5, footnote 5, and 33 with footnote 3 thereto.

¹² A reference to the Franco-Soviet Pact of Mutual Assistance of May 2, 1935, and the Czechoslovak-Soviet Pact of May 17, 1935. See documents Nos. 70, footnote 1, and 89, footnote 4.

¹³ The Anglo-German Naval Agreement of June 18, 1935; see enclosure to document No. 156.

Abyssinian adventure, by constituting a threat to British imperial interests, will contribute to such a transformation. It is more probable, however, that a compromise will be reached at the expense of the Negus, even though this may only be after the Italians have suffered considerable blood-letting.

From this realistic survey of the European constellation it is immediately apparent that the German-Austrian problem, in the near future at any rate, cannot be tackled successfully from the angle of *foreign policy*. For the moment we must be content with not allowing Austria's international status in respect of a future solution to deteriorate. In this connection the danger of a non-intervention pact with bilateral treaties of guarantee has apparently been successfully averted. The gradual maturing of a solution has depended and still does depend entirely on how German-Austrian relations develop.

The German nation has had for centuries to tread a truly thorny path in order to achieve unity. The rise of National Socialism and the founding of the Third Reich by the final overthrow of all particularism in the separate States seemed to offer a unique opportunity, never to recur, for completing Bismarck's work and bringing the German-Austrian relationship nearer to a solution—as the *dynamic consequence of inner German happenings*. This opportunity was, as we now know, finally lost through the methods known as the “Habicht¹⁴ policy” proceedings. It is astonishing how ill informed is German public opinion itself about the profound repercussions of this policy, the responsibility of a certainly well-meaning adviser, but one who misunderstands the real situation both within and around Austria. Otherwise many people would not still at the present time be eagerly expecting a rapid reconciliation and a solution of the German question. The experience acquired in this last painful year compels us to seek for other, new ways.

In order to form a clear judgement it is essential too to obtain a picture of the repercussions on *internal affairs* caused by the German-Austrian policy of recent years. Persons in Austria who genuinely take a Greater-German attitude have never been particularly numerous. Although the triumphant progress and historic achievement of Adolf Hitler caused so great an accession of membership to the NSDAP in Austria too, the reasons for this lay much more in dislike of the shocking Red maladministration, the bad economic situation, the parliamentary incompetence, alongside the sense of external weakness and dependence on former enemy Powers. But the greater the successes of National Socialism in establishing German unity and Germany's former position in the world, the stronger became, on the

¹⁴ Habicht had been removed from his position of *Landesinspekteur* of the Austrian National Socialist Party and Director of Propaganda for Austria in Munich after the abortive *Putsch* of July 25, 1934; see vol. III of this Series, document No. 127.

one hand, the instinctive desire to stand within the shadow of the newly emerging German Reich, whilst, on the other hand, the elimination of Reich German particularism brought the militant Christian Socials and the born Prussian-haters to the fore. Chancellor Dollfuss, who always thought much more in Reich German terms than his present admirers, wavered between the two poles like a shaken reed. In his endeavour to protect himself against the *Anschluss* idea he proceeded to eliminate the worst Austrian deficiencies. The suppression of the Red February revolt¹⁵ undoubtedly gave his Government a boost. It was the start and became the hour of the birth of the "Austrian idea". The more so as, in this fatal dilemma, Austrian National Socialism went over to the side of Red workers, thus providing the Heimwehr, as liberators of the State from terrorism and Marxism, with a platform which nothing could subsequently destroy.

Thus it was not surprising that after his death Dollfuss acquired the halo of a martyr for the new-born "Austrian idea". The Austrian regime in its struggle against the spiritual influence being exerted by Germany and its fears for its bread and butter had meanwhile learned a great deal from the methods of German National Socialism. Interesting parallels would emerge if the imitations of National Socialist legislation in all spheres were ever to be analysed. The first major event in domestic politics was the constitution of corporations by the Federal parliamentary legislation of November 30¹⁶—an attempt to give legal form to the corporative structure. Although much is only patchwork, it cannot be denied that the new State framework thus created, led by an Executive [i.e., army and police] imposing Draconian discipline, has given the Government a position of power which cannot now be destroyed either by *coups d'état* or by economic means. Admittedly there remain many marked disagreements within the Austrian Government, but it would be entirely mistaken to hope that their aggravation might possibly provide better prospects for the exercise of German influence.

The National Socialist Party of Austria, despite all the suppressions, the persecutions and martyrdoms, has undoubtedly behaved in exemplary fashion—although it has shrunk to a small but reliable nucleus. But ultimately the dynamism of even the most zealous fighters cannot but suffer under the almost total spiritual and material isolation from the Reich, and under the impossibility of obtaining orders from the Reich and from the Führer for conducting the internal opposition. To maintain a vigorous and militant national opposition, however, is undoubtedly in the particular interest of the Reich, even if, as is now occurring to the advantage of both, this opposition should

¹⁵ A reference to the suppression of the Austrian Social Democrat Party on Feb. 12, 1934; see vol. II of this Series, document No. 254.

¹⁶ For the text see *Bundesgesetzblatt für den Bundesstaat Österreich*, 1934, Stück 122, No. 377, pp. 858-859.

be a purely internal Austrian affair. Every endeavour should be made, and should continue to be made, to counter the new Austrian ideology by exerting the most far-reaching spiritual influence in the direction of the historic task common to all Germans [*gesamtdeutsch*] in Europe. This subject receives far too little public discussion in Germany. All traditional ties which bring to mind the great common historical struggle for the German idea, and in particular the relations between the Austrian Federal Army and the newly created German Wehrmacht, should be fostered in every respect. The superiority of the German intellect, the achievements of German technology and science, must show the Austrians that the "Fatherland Front" is propagating an entirely erroneous doctrine in attempting to represent Austria as the basis for the cultural world renown in which the German spirit is held. As I have already so often done, I would here repeat once again my request that the question of the restrictions on tourism should again be examined in this connection, because it is indivisibly bound up with the spiritual fertilization of this country.

Particular importance attaches to cultural problems. The manner in which Germany comes to terms with politico-religious difficulties, the skill by which political Catholicism is excluded and yet Germany's Christian foundations are left unimpaired, will not only have decisive repercussions on Britain or on Catholic Poland. Rather can it be said that the solution of the German-Austrian question will stand or fall by it.

Over and beyond these questions, a matter of decisive importance will be the manner in which the policy of the Third Reich gives intellectual momentum to the German-Austrian question from the constitutional angle.

The "new Austria" has got stuck in the mental atmosphere of particularism, and has sacrificed the primacy of the nation to it. The dream of pursuing the restoration of the "Holy Roman Empire" from Vienna becomes the more grotesque the more this idea, cherished by the romantics of Imperial Austria, is utilized by Mussolini to pursue his idea of a new "*imperium romanum*" at the expense of the German nation. Habsburg Legitimism, seen in the light of these hard facts, is after all merely the tactical expedient of a feeble Government. All this has nothing to do with a historical renaissance, but that does not mean to say that, at an appropriate moment, the puppet masters of the policy of a European balance of power will not make play with it. Even if one were inclined not to deny a certain justification to the particularist opposition of Austrians (as a solution which would ease foreign policy) yet German public opinion should not weary of pointing out that these circles lack all national initiative and that, supported by a Government Party imposed from above (Fatherland Front), by militant Catholicism and the Heimwehr who are enthusiast-

ically pro-Mussolini, they simply deny the primacy of the common nation. How differently did Bismarck proceed when he prepared a Lesser German [*kleindeutsch*] solution and yet showed himself ready to sacrifice part of Prussia's independence to the primacy of common German interests (Bismarck's letter of September 22, 1863).¹⁷ For him Prussian particularism was not an end in itself, nor did he ever, in founding the Second Reich, in which Prussia played a leading part, thrust this Prussian rôle into the foreground. It was only thus that at the time he was able to win over Bavaria.

National Socialism must and will overcome the neo-Austrian ideology. Should some Austrians now object that the NSDAP is only a centralized Reich German "Party" and therefore unfit to transmit the ideology of National Socialism to peoples of differently constituted States, then we may with justice reply that the national revolution in Germany could only be brought about in this way and in no other. But once the creation of the national community [*Volksgemeinschaft*] in the Reich was completed, National Socialism could, in a much wider sense than the present Party form allows, at least outwardly, certainly become the standard-bearer of German national [*völkisch*] unity beyond the frontiers. It is not by a *centralizing* tendency that spiritual progress *vis-à-vis* Austria can be made today. If this fact could once be clearly and plainly acknowledged by the Reich, then it would be thus that a breach could most easily be made in the "new Austrian" front. A Nuremberg Party Rally described, as it used to be, as "the German Day" and the proclamation of a "National Socialist People's Front [*Volksfront*]" would be a revolutionary event for all beyond the frontiers of the Reich. By such an approach we would also win over those particularist Austrian circles whose spokesman, the Legitimist Count Dubskey, writes in his brochure about the "*Anschluss*": "The Third Reich will be *with* Austria or it will not be at all. National Socialism will have to win her over or succumb if it is unable to fulfil this task."

PAPEN

¹⁷ For the text see Bismarck: *Die Gesammelten Werke*, Bd. 4 (Berlin, 1927), No. 128, pp. 174-176.

No. 233

9722/E688605-08

The Legation in Hungary to the Foreign Ministry

A 137 P 24

BUDAPEST, July 27, 1935.

Subject: German-Hungarian preliminary conversations on minority questions.

With reference to your instructions VI A 3160 of June 27, 1935.¹

¹ Document No. 178.

Baron Apor, the Foreign Minister's permanent deputy, asked me to call on him today and on behalf of the Foreign Minister handed me a Memorandum, a copy of which is enclosed. No actual discussion of the problem ensued, since Baron Apor only wished to carry out his instructions, which were to hand me the document. He merely mentioned that State Secretary de Pataky's conversation with Consul Krauel had not been on instructions, but that the Hungarian Government would, nevertheless, be pleased and willing to have preliminary conversations on the basis set forth in the Memorandum.

The Memorandum places much more emphasis on the question of minorities in the so-called Successor States than has been the case in discussions so far.

May I request further instructions.

By order:
SCHNURRE

[Enclosure]

The German Minister in Budapest informed the Royal Hungarian Foreign Ministry on July 2² last that Dr. de Pataky, State Secretary in the Hungarian Minister President's Office, had called on Herr Krauel, the German Consul at Geneva, during his stay there in May 1935³ and had on that occasion raised the question of whether it would not be timely and desirable to resume the negotiations on the settlement of the German minority question, on the basis of the Memorandum drawn up by M. de Pataky some years ago.

With reference to this, the Royal Hungarian Foreign Ministry, in agreement with the Hungarian Minister President's Office, take leave to comment as follows: During his stay at Geneva in May of this year State Secretary de Pataky did, in fact, engage in a lengthy exchange of general views on the minority question with Consul Krauel. In the course of this conversation the two gentlemen came to speak of the mutual relations between the German and Hungarian minorities in the so-called Successor States. In this conjunction Dr. de Pataky alluded to the regrettable fact that no proper collaboration between the two minorities was to be observed either within the present-day State frontiers or before the different international bodies. State Secretary de Pataky drew attention to the fact that some years ago certain efforts were made to remedy this situation which was equally harmful to both minorities. Already during the term of office of the

² In a minute dated July 8 (9722/E683602-03) Mackensen recorded that he had informed Kánya on July 2 of the substance of the despatch cited in footnote 1 above, and that, in a conversation on July 3, Gömbös had welcomed the prospect of conversations and of a visit by Roediger, but that he (Mackensen) did not wish to report to Berlin without an official reply from Kánya. This minute bears the following marginal note: "Discussed on the telephone with Csáky. He promised a reply from M. Kánya within the next few days. Sch[nurre], July 19."

³ See also document No. 139 with footnote 6 thereto.

former Reich Foreign Minister, Dr. Curtius (in March 1931), the Hungarian Government caused a Memorandum to be communicated to the German Reich Government. Although the German views on the questions raised in this Memorandum were in fact conveyed to the Hungarian Government, the matter was carried no further. Finally, State Secretary de Pataky expressed to Herr Krauel his sincere regret about the situation described above, but did not make any suggestion for a resumption of negotiations.

The Hungarian Government would naturally be very willing to take part in a discussion on the relations between the German and Hungarian minorities in the so-called Successor States, particularly since, in the Hungarian Government's view, the present somewhat confused state of affairs is harmful to both minorities.

The Hungarian Government believe they are right in thinking that the interests of the German and Hungarian minorities in Rumania, in Czechoslovakia and in Yugoslavia are, if not identical, none the less in many instances at least analogous. The Hungarian Government are convinced that in many respects the essential preconditions for close collaboration between the two minorities obtain. Nevertheless, in the opinion of the Hungarian Government this basis should first be the subject of expert scrutiny. The Hungarian Government would therefore much welcome a visit to Budapest by Ministerialdirektor Rödiger.

It would be the primary task of the German and Hungarian experts thoroughly to discuss the situation of the German and Hungarian minorities in the Successor States. This exchange of views could then serve as a basis for the actual discussions.

The Hungarian Government are of the opinion that in the course of these preliminary conversations there should be defined the political, economic, cultural, social and other spheres where the interests of both sides fully coincide, or where there is undoubted similarity between them. On the other hand, it would also be necessary to determine the questions where the interests of the two parties differ or run counter to each other.

This would be the chief subject of the preliminary conversations between the two experts. At the same time the experts would have to consult on what measures might be necessary to dispel the discord which is nowadays all too frequently to be observed in comment on the minority question, not only in the German and Hungarian minorities press but also in some Reich German and Hungarian papers. It should be mentioned that, to the delight of the political opponents of both nations, the position of the German minorities in Hungary has been so described in certain papers as to make it appear that this question was an international problem and a bone of contention between the two States. The two experts would also have to deal

with this aspect of the problem and agree upon the necessary preventive measures.

The Hungarian Government regard these preliminary conversations between the two experts, which could not of course be other than strictly confidential, as necessary and expedient, for it would seem essential to define the subject of discussion clearly and, wherever possible, in detail beforehand.

On the other hand, the Hungarian Government consider it essential to create, through the press, the proper atmosphere for the actual negotiations; for public opinion in both countries should in this way be prepared for the political measures resulting from the agreements which it is hoped to conclude.

No. 234

4619/E198146-50

State Secretary Bülow to Foreign Minister Neurath

BERLIN, July 30, 1935.

DEAR HERR VON NEURATH: As we both foresaw months ago, these summer weeks put us into an awkward situation with regard to the various pact questions. As we feared, the situation now is that our vague and evasive attitude is making us suspect and is reuniting the Stresa front, and the British are supporting the French in this in order to make up for the "lapse" they committed in signing the Naval Agreement with Germany.¹ The Italians are supporting Paris and London in order to lessen the pressure over Abyssinia a little. London and Paris evidently wish to use the parliamentary recess to try and get on with their foreign policy without parliamentary criticism. The French Eastern Pact Memorandum dates back to June 3,² Sir Samuel Hoare's appeal to the Führer and Chancellor to July 11.³ If we delay matters until the autumn, the gaps in the Stresa front will have closed and they will try to excuse their own lack of success by accusing us of being responsible for the lack of progress. This is definitely not what we want to happen. If, however, we are to act or even negotiate at all, we must know beforehand where we are going. The mere clarification of preliminary questions, as recently attempted by Köster, commits us, and exposes us to the reproach of disingenuousness if, later on, we flatly refuse to enter into negotiations proper.

There are in effect only three possible courses, each, naturally, with numerous variations.

(1) We can flatly refuse to negotiate about the Eastern and Danubian Pacts, basing our refusal on the breakdown of the collective treaty system (China, Abyssinia), and also referring to the Russo-

¹ See document No. 156.

² See document No. 127.

³ See document No. 207, footnote 2.

French Treaty of Alliance and its repercussions. But this would be to go back on our declarations

(a) on receiving the Anglo-French programme of February 3 of this year;⁴

(b) our attitude on the occasion of Simon's and Eden's visit to Berlin, when we even handed over a communication in writing on the subject of the Eastern Pact;⁵

(c) our Stresa statement, especially the DNB publication;⁶

(d) the Führer's speech of May 21,⁷ especially points 4, 6 and 13.

Nevertheless, a flat negative in the near future would be better than this eternal evasion and the mistrust which it breeds.

(2) We could embark on negotiations on the Eastern and Danubian Pacts (after preliminary discussions to clarify the actual points at issue) and then, if necessary, demand that one of the two Pacts (Danubian or Eastern Pact) be temporarily shelved and then let the negotiations break down. There are grounds in plenty for a breakdown (*Eastern Pact*: the French guarantee, the Franco-Russo-Czech alliance, the question of participants, the position of the [Baltic] Border States, the arbitration treaty with Russia, etc.; *Danubian Pact*: the non-intervention clause, the right of self-determination for Austria (the draft was drawn up without consulting us) as compared with the demand in the speech of May 21, the question of participants, the Habsburg question, etc.).

(3) We can negotiate the Pacts, or one of them, and so amend them or dilute them that the paper can be signed by us without any qualms. This would be a process of some months' duration and would in its initial stages not differ very much from the procedure under (2) above.

The position on the five points of the programme of February 3 is at present as follows:

(1) *Eastern Pact*: The French draft of June 3 is still unanswered.

(2) *Danubian Pact*: A new draft is in preparation and will probably be communicated to us soon.⁸

(3) *Air Pact*: Hoare is starting afresh; a questionnaire is in preparation.⁹ The British want to give precedence to negotiations on the Eastern Pact.¹⁰

(4) *Disarmament*: Laval apparently wants to negotiate with us on the strength of the Army (550,000 men) but not on qualitative disarmament in the sense of the speech of May 21.¹¹

⁴ i.e., the Joint Anglo-French Communiqué; see document No. 46, footnote 3.

⁵ See vol. III of this Series, documents Nos. 555 and 564.

⁶ See document No. 29.

⁷ See Editors' Note, p. 171.

⁸ See document No. 249.

⁹ See document No. 219.

¹⁰ See document No. 221.

¹¹ See document No. 235 and footnote 6 thereto.

(5) *League of Nations*: In his speech of July 11¹² Hoare no longer demanded Germany's return, and Laval has specifically confirmed that this point of the London programme has been dropped.¹³

Before taking a decision it is of course important to know whether there are economic reasons for seeking a political settlement and whether, if any pacts were to be concluded, their sole aim would be to achieve a *détente* in Europe. Furthermore, there is the question of whether we intend to make new proposals of our own in the field of the so-called maintenance of peace or indeed to guide the discussions on this point into a new field. In this case it would be desirable to begin by so conducting the negotiations as to bring the various pact proposals to an *impasse* so that the German proposal, when it came, would gain in importance.

I am sure, however, that the situation is that the Führer and Chancellor wants to relax and that he is already occupied in his own mind with preparations for the Reich Party Rally.¹⁴ I therefore consider it out of the question to obtain his views and his directive on this matter. In these circumstances it would probably be best to say so quite openly and to instruct our Missions to tell the British, French and Italians at the next opportunity that they can expect no statement of views from Germany during the vacation and that we shall not be ready for serious negotiations until October. This attitude could be justified, if not very convincingly, by saying that we wish to continue to observe the development and efficacy of the collective agreements in order not to draw up fresh treaties on a model which has already proved to be impracticable.

I am sorry to trouble you with such grave problems while you are on leave, but I should be grateful for your instructions, as, both here and at the Missions, even the smaller ones, we must expect more and more enquiries, proposals, questions and attempts to open discussions.

Yours, etc.,

BÜLOW

¹² See document No. 207, footnote 2.

¹³ See document No. 231.

¹⁴ Held at Nuremberg, Sept. 10-16, 1935.

No. 235

4620/E200662-65

State Secretary Bülow to Ambassador Köster

BERLIN, July 30, 1935.

DEAR KÖSTER: Many thanks for your letter of July 25.¹ Owing to the postponement of your discussion with Laval, both we and your-

¹ In this letter (see document No. 223, footnote 2) Köster gave further details of his conversation with Léger (see document No. 220). A postscript to this letter dated July 26, begins: "I gather from your telegram, which has just been received [see document No. 223, footnote 4] that I have given you the impression that I stated German wishes about who should participate [in the Eastern Pact]. This is not the case."

self have been placed in an awkward position. The discussion² naturally acquired a more official character than we had either of us originally envisaged. We cannot continue the discussion in this manner until it has been decided whether we want to enter into negotiations at all. I now propose to suggest to the Foreign Minister that we should everywhere announce officially that we intend to suspend discussions during the vacation, that is to say until October. I cannot say in advance whether a decision will be taken in this sense, but I would in any case ask you not to commit yourself or us any further.

Your telegram about your interview with Léger³ gave us a real shock. We were horrified by more than one point. The last time you came to see me I warned you of the extent to which our opponents make use of our Ambassadors' utterances when exchanging intelligence. You promised me not to go beyond your brief and to curb your tendency to improvisation. Now all the Powers interested in the Eastern Pact and the Scandinavian States will be told that we want an Eastern Pact of the dimensions indicated by you, which is not the case. The question of who is to participate must remain open, for our interests and desires in the matter depend on the contents of the Pact. If, for instance, a formula were found which vitiated the Russo-Czech-French Treaties, then we should insist upon Czechoslovakia's taking part, but if not, we should probably reject her. Furthermore, we cannot refuse to allow the [Baltic] Border States to participate while at the same time demanding the (extremely unlikely) participation of the Scandinavians. But above all, as I have already told you here, the question of the participants and the "region" concept are the hobby-horse of the Poles and we do not want to compromise either the argument or the Poles by riding the same hobby-horse ourselves. I must therefore request you most emphatically to make no further mention of the question of participants.

The next thing that startled us was that you told Léger that "the guarantee given to us and Russia by France does not interest us for the only too familiar reasons". We have never agreed to the guarantee contained in Barthou's Eastern Pact project.⁴ In our discussions with the British there was no mention of a guarantee. We had agreed here, you and I, that if the French said they intended to guarantee the Eastern Pact we should firmly decline this. This is a cardinal point and one of the grounds on which we could eventually let the Eastern Pact fail. Besides, this guarantee is a completely new idea. There is not a word about it in the French Memorandum on the Eastern Pact of June 3.⁵ In any case, Léger's remarks on this

² See document No. 231.

³ Document No. 220.

⁴ See vol. III of this Series, documents Nos. 85, with enclosures thereto, and 92.

⁵ Document No. 127.

subject are most obscure. What does France intend to guarantee if she specifically excludes the Baltic States from the guarantee?

The discussion on the subject of the Air Pact, too, was not quite clear to me. We have repeatedly made it clear, both to the French here and also to the London authorities, that we looked upon the Air Pact as an Anglo-French suggestion. It was only in the matter of the exchange of drafts that we regarded the British as the appropriate recipients, since it was they, after all, who had taken this particular initiative.

As for the conversation with Laval, we are still not clear on a number of points, since you do not report your own questions and answers. We shall, of course, not respond to the suggestion that we should pass on our intelligence reports on the Russian airfields in Czechoslovakia. It would just suit the French and the Czechs to be able to track down our informants that way.

We are most suspicious of Laval's remarks about the possibility of disarmament negotiations. He seems to think (or am I wrong?) of negotiations with a view to limiting the Army strengths, that is to say, an attempt to beat us down from our figure of 550,000 [men].⁶ There can be no question of this. The subjects of discussion can at most be the Führer and Chancellor's suggestions for qualitative disarmament, and I cannot imagine that the French would be prepared to accept that. Perhaps you could report more fully on this (without asking Laval again).

It is interesting to note that Paris too has dropped Germany's return to the League of Nations from the London programme of February 3.

I am trying to achieve greater clarity as to our attitude and tactics and/or our ultimate aims with regard to the various pact questions. Since everyone is on leave, contact between the highest authorities is of course at present less close owing to separation by distance, and the preparations for the Reich Party Rally are presumably the centre of interest, I do not expect to be able to get concrete instructions. You should therefore reckon with the possibility that you, together with our other Missions, will shortly be instructed to avoid all discussion and to explain that we shall only be able to decide on our attitude to the outstanding problems after the vacation, i.e., about the beginning of October. We may, in certain circumstances, justify this by saying that a crisis has clearly arisen in the sphere of collective treaties—I refer to China and Abyssinia—and we first want to see how the League

⁶ This figure had been used by Hitler during the conversations with Simon and Eden in Berlin (see vol. III of this Series, documents Nos. 555 and 564) as the eventual maximum strength of the German land forces, and had been quoted by Simon in his statement to the House of Commons on Apr. 9 (for which see *Parl. Deb., H. of C.*, vol. 300, cols. 983-991).

of Nations, the Kellogg Pact,⁷ the Washington China Treaty⁸ and similar collective systems survive this crisis, before taking a final decision. Above all, however, you should keep strictly to your instructions and not put forward your own ideas, since, as a result of the close contact between the countries with which we are negotiating, conflicting statements by our representatives give rise to widespread mistrust of our intentions. The situation is not such that we can afford simply to let this happen.

Yours, etc.,

BÜLOW

⁷ i.e., the General Treaty for Renunciation of War as an Instrument of National Policy, signed at Paris, Aug. 27, 1928; for the text see League of Nations: *Treaty Series*, vol. XCIV, 57-64.

⁸ The Treaty relating to Principles and Policies to be followed in Matters concerning China, signed at Washington, Feb. 6, 1922; for the text see League of Nations: *Treaty Series*, vol. XXXVIII, pp. 277-284.

No. 236

6695/H103813-17

The Ambassador in Great Britain to the Foreign Ministry

A 2628

LONDON, July 30, 1935.

Received July 31.

IV Ru. 3038.

Subject: The Foreign Office and the Eastern Pact.

With reference to my report A 2568 of July 24.¹

On July 26 the official in charge of West European affairs at the Foreign Office, Mr. Wigram, asked the acting Counsellor of Embassy, Freiherr von Marschall, to call on him in order to give him some supplementary information in connection with my conversation with Sir Samuel Hoare on July 23.

This information amounted to an *exposé* of the attitude which, in the British view, the German Government had adopted towards the Eastern Pact in their various foreign policy statements.

Since the object of the Foreign Office in doing this was not entirely clear to me and since Wigram's *exposé* of the facts also seemed to me to require further clarification, I called on Wigram myself yesterday and had a long and somewhat heated discussion with him. Wigram explained that in making these remarks to Marschall he had been carrying out instructions from Sir Robert Vansittart, and that their object had been to show that, in the British view, the German Government had already committed themselves to a favourable attitude towards the Eastern Pact.²

Wigram based his arguments primarily on the familiar statement communicated to the British Ambassador in Berlin on April 13 of

¹ Document No. 221.

² Marginal note in Neurath's handwriting: "By no means".

this year, concerning Germany's attitude to the Eastern Pact problem (see telegram No. 69),³ and also on our Führer and Chancellor's speech of May 21.⁴

Wigram tried to prove from the former document that we had promised to cooperate over the Eastern Pact even should *offensive* agreements have been formed between signatories of the Pact. I denied this and repeatedly stressed that the conclusion of the anti-German alliances between Russia on the one hand and France and Czechoslovakia on the other had destroyed the basis of the German statement of April 13. Wigram, however, stubbornly persisted in the contention that in this document we had specifically described possible offensive agreements as unimportant, and, when I answered him sharply, went so far as to say that it seemed that Germany did not intend to keep her word.

Since Wigram's quotations from the English text of our statement of April 13 seemed to me to be incorrect, I finally asked him to let me have a copy of the relevant telegram of April 13 from the British Ambassador, whereupon Wigram supplied me with a copy.⁵

When I compared this text, which I did at once, with the *Deutsches Nachrichtenbüro* text (No. 103, page 24, of April 13, 1935)⁶ and with the English text in *The Times* of April 15, it became clear that, obviously in the course of its transmission to London by telephone, in paragraph 3 of the English translation of our statement, the words "by real defensive agreements" had been altered to "by real *offensive* agreements",⁷ and, similarly, in the middle of the last paragraph the words "out of defensive mutual assistance pacts" had become "out of *offensive* mutual assistance pacts".⁸

I thereupon called on Wigram again this morning and pointed out to him that the Foreign Office had been basing itself on an inaccurate text. Wigram was much concerned and sent for various documents, some of them in print, in which our "statement" was reproduced, in order to ascertain whether this error had only occurred once. He discovered, however, that the incorrect passages appeared in every single document.

Nevertheless, he tried at first to go on defending his point of view, but finally admitted that the argument he had put forward yesterday had collapsed. He insisted, however, that the deliberately anti-

³ This was the number under which the telegram referred to in document No. 29, footnote 1, was sent to London.

⁴ See Editors' Note, p. 171.

⁵ The text in English (here printed as enclosure for the convenience of the reader) was forwarded by Hoesch with his report A 2631 of July 30 (6695/H103819). This text differs from that subsequently published as No. 12 in the British Blue Book, Cmd. 5143, at the points mentioned in the document here printed and also as to the date, which appears as Apr. 13 on the text handed to Hoesch, and as Apr. 12 in the Blue Book.

⁶ See document No. 29.

⁷ The words "by real *offensive* agreements" are in English in the original.

⁸ The words "out of *offensive* mutual assistance pacts" are in English in the original.

German alliances in question did not of themselves release us from the favourable attitude towards the Eastern Pact adopted in the document of April 13.

I denied this very forcibly, showing up the true nature of these alliances in the usual manner. I further refuted Wigram's argument that the Reich Chancellor's speech of May 21 could be taken to imply a favourable attitude towards the Eastern Pact.

Since the course taken by the conversation called for a complete clarification of our point of view, I finally summed up our attitude as follows:

"The Franco-Russian Alliance of May 2 and the subsequent Czechoslovak-Russian Alliance were not normal mutual assistance pacts but political and military agreements directed solely against Germany. We had of course not been thinking of such agreements when in our document of April 13 we had declared that assistance pacts were unimportant. Moreover, the provisions of both Alliances conflicted with the letter and the spirit of the Covenant of the League of Nations and thus also with Locarno. Their conclusion had thus completely altered the situation obtaining on April 13. The Chancellor's speech of May 21 had therefore no longer envisaged Germany's participation in a multilateral treaty, but had merely repeated the readiness, which Germany had already previously declared, to conclude bilateral non-aggression agreements with neighbouring States. The term 'Germany's neighbours' was to be taken to mean solely those States bordering on Germany. Estonia and Latvia were therefore excluded just as much as Russia. I personally was inclined to think that we should not object to concluding non-aggression pacts with Estonia and Latvia. In the case of Russia the position was that we were already bound to this country by a Treaty⁹ whose provisions went beyond a normal non-aggression pact. Furthermore, the German Government had not yet taken any final decision as to their attitude towards the renewed requests to Germany to take part in the Eastern Pact. I could not, however, conceive that the Reich Government would accede to the extraordinary demand that, by taking part in an Eastern Pact with those same Powers who had concluded anti-German treaties of alliance, they should in some degree countenance these treaties of alliance."

In the face of this Wigram maintained that the British Government could not regard our retraction of the document of April 13 as being justified by the alliances in question *per se*, and stressed in addition

⁹ The Treaty between Germany and the USSR signed at Berlin, Apr. 24, 1926, and the Convention of Conciliation signed at Moscow on Jan. 25, 1929, both prolonged by a Protocol signed at Moscow, June 24, 1931; for the texts see League of Nations: *Treaty Series*, vol. LIII, pp. 387-396, vol. xc, pp. 219-231, and vol. CLVII, pp. 383-391, respectively. On May 5, 1933, ratifications were exchanged between Germany and the USSR of the agreement of June 24, 1931 (for the texts see *Reichsgesetzblatt*, 1933, Pt. II, pp. 311-312).

that, as was known, Britain did not accept our contention as to the incompatibility of these treaties with the Covenant of the League of Nations and the Locarno Treaty. He also showed concern about the interpretation I had given to the Chancellor's speech of May 21 in relation to the Eastern Pact, since he had previously understood under "Germany's neighbours" all the interested Eastern Powers. He did not, however, deny that his whole argument had been considerably weakened by the discovery of the errors in the English text of our "statement" of April 13.

HOESCH

[Enclosure]⁵

6695/H103820-22

Copy

FROM GERMANY

Telegram (en clair) from Sir E. Phipps. (Berlin.)

R. (by telephone) 12.57 p.m. April 13th. 1935.

Addressed to Stresa.

Baron von Neurath has just requested me to transmit to you the following communication, German original of which will be issued to appear in the press Sunday morning.

"In order to deal with misleading statements in various press commentaries the German Government has the honour to define in the following manner the attitude as regards the Eastern Pact, with the request that this explanation may be forwarded to His Majesty's Principal Secretary of State for Foreign Affairs, Sir J. Simon.

(1) In the course of the Berlin conversations the Leader and Chancellor of the Reich informed the British delegation that the German Government was to its regret not in a position to announce its accession to the Eastern Pact in the proposed form. The German Government was however ready to give its consent to such a collective security pact if;

Firstly it were based on mutual and general obligations of non-aggression and arrangement for arbitration, and;

Secondly in the case of a breach of the peace, a consultative procedure were provided for.

Thirdly, [the] German Government would be ready while emphasizing the difficulty of clearly defining an aggressor to adhere to general measures for withholding support from such an aggressor.

The German Government still stands by this offer to-day.

(2) The Leader and Chancellor of the Reich, in the course of these conversations, also stated that the German Government was not in a position to agree to a proposal for a pact which contained more or less automatic obligation for military assistance as between all or certain individual parties. The German Government saw in such a proposal

not an element for the maintenance of peace but rather an element of menace to peace. The German Government to-day still adheres to this view and to the attitude which must result from it.

(3) The German Government immediately after its accession to power expressed the wish to conclude pacts of non-aggression with the neighbouring states. It made this proposal without having full knowledge of existing bi- or multilateral military agreements between individual states and without any relation to them. As it has no aggressive intentions itself it does not feel affected by real offensive agreements either. The German Government still holds this view to-day.

Just as it is therefore unable to join any pact which contains such military engagements as an essential element of its contents and therefore of its existence, so can agreements of this sort, which lie outside this pact, not deter the German Government on its side from concluding pacts of non-aggression on the basis set out above.

Such was the sense of the German Government's reply to the British Ambassador's enquiry whether Germany was ready to conclude an Eastern Pact on the basis which it had itself indicated even if other states had concluded or would conclude other special agreements among themselves.

The German Government however will not refrain at this point from the following observations.

The amplification of Pacts of non-aggression and no force pacts which is considered necessary by various governments, through agreements for military assistance, rest[s] upon an inherent contradiction. Either one believes in obligations which have been freely undertaken or one does not believe in them, if one believes in them the necessity of such military agreements is not apparent. But if one doubts the sincere fulfillment of a non-aggression obligation, this doubt is equally justified in regard to the proper fulfillment of the amplifying military obligations of such peace pacts. If it is possible that wars may arise out of non-aggression pacts, it is just as possible that out of offensive mutual assistance pacts there may come offensive acts of aggression. Now to the German Government the distance from a pact of non-aggression and a no force pact to a forcible breach of the peace seems further than the distance from military obligations of a defensive character to a military policy of an offensive character. The German Government now as before sees in this development of military alliances in Europe no element of collective peaceful development or indeed of any guarantee of peace. It is therefore not in a position to sign pacts in which such obligations are an integral part, whether they apply to all or only individual contracting parties.

Repeated to Foreign Office (by telephone).

No. 237

5747/H035897-99

The Chargé d'Affaires in the United States to the Foreign Ministry

Telegram

No. 159 of July 31

WASHINGTON, July 31, 1935—11:19 p.m.

Received August 1—7:55 a.m.

III A 2152.

Further to my telegram No. 145.¹

The general attitude to Germany has continued to deteriorate considerably in the last few days. This chiefly emerges from the treatment in the press; newspapers are now exclusively devoting their front pages to matters relating to Germany and are printing front page summaries of events in Germany and happenings in the United States connected with Germany under the heading "German situation". This agitation has been especially encouraged by events in New York, in particular the LaGuardia case² and the incident on the *Bremen*,³ with the resultant disputes, as well as the large mass meetings of the Germans and German Americans on the one hand, and of the Jews and Jewish sympathizers on the other. The situation has been further exacerbated by the consistently hostile reporting from Germany, of which Birchall's report in today's *New York Times* (the text of which follows in telegram No. 155⁴) is a good example. It is particularly characteristic of this situation that the Government themselves have, perhaps for the first time, even though very cautiously, abandoned the reserve they have shown hitherto; firstly, in Phillips' reply to the Jewish associations (see Sell's telegram of July 30⁵), which appears today in all the newspapers under headlines such as: American Government Condemn Persecutions in Germany, Sympathize with German Jews, Defend Freedom of Religion and Conscience; secondly, by the President's refusal in his press conference today to state his views in reply to a question on the Celler statement, information on which is contained in telegram No. 156 (see also Sell's

¹ Document No. 222.

² The reference is to the refusal of Mr. LaGuardia, Mayor of New York, to grant a masseur's licence to a German citizen, on the grounds that "American citizens of Jewish faith have been discriminated against in Germany"; see *The Times* of July 26 and 29, 1935, and *Foreign Relations of the United States, 1935*, vol. II, pp. 483-485.

³ The reference is to the anti-National Socialist demonstration and removal of the German flag from the *Bremen* in New York on July 26 (see *The Times* of July 29). For the German Note of protest of July 29 and the American reply of Aug. 1 see *Foreign Relations of the United States, 1935*, vol. II, pp. 485-486; the telegram of July 29 instructing the Embassy to make a written protest is not printed (5747/H035887).

⁴ Telegram No. 155 of July 31 (5747/H035889-91).

⁵ Kurt G. Sell, Washington representative of the DNB; the telegram of July 30 has not been found. For the text of Phillips' letter of July 29 see *Foreign Relations of the United States, 1935*, vol. II, p. 404; for the Jewish associations' memorandum see the *New York Times* of July 31, 1935.

despatch of today).⁶ Furthermore, our opponents, by propagating the idea that the events in Germany constitute anti-religious campaigns, have also succeeded in gaining the support of religious groups, especially the Catholics, with the result that, for instance, the latest edition of the journal *Commonweal* calls upon Catholics to boycott the Olympic Games. All has been quiet in Congress since Dickstein's outbursts.⁷ Only King and Dickstein, by their statements about our protest over the *Bremen* incident, and the two New York Senators who, under pressure from their electors, sent telegrams to an anti-German protest meeting, have made themselves conspicuous. In conformity with the attitude of the country at large, the majority of Congress members still remain passive onlookers.

With every reservation I should like to pass on a report which has reached me to the effect that the President is seriously considering despatching a note to us on the Jewish question or making a public statement on this matter. He is said to have in mind the example of Theodore Roosevelt who once broke off relations with Russia on account of the Jewish question.

Although one would at first glance consider this report as fantastic, I, nevertheless, feel it to be my duty once again to point out the seriousness of the situation. During my latest conversation with the Chief of the Western European Division of the State Department,⁸ I pointed out the threat to mutual political and economic relations arising from the present situation and also particularly emphasized that American Government quarters should refrain from doing anything which might make matters worse.

LEITNER

⁶ Telegram No. 156 of July 31 (5747/H035893) quoted from the *New York Times* a statement by Representative Celler on July 30. Sell's despatch has not been found; for an account of Roosevelt's press conference of July 31 see the *New York Times* of Aug. 1, 1935.

⁷ For Dickstein's speech of July 25 see *Congressional Record*, vol. 79, pt. 11, p. 11861. Leitner reported on this speech in telegram No. 147 of July 26 (5747/H035876).

⁸ James Clement Dunn; for Dunn's account of his conversation with Leitner on July 29 see *Foreign Relations of the United States*, 1935, vol. II, pp. 483-485.

No. 238

6024/H045108

Memorandum by the State Secretary

BERLIN, July 31, 1935.

IV Ru. 3057.

The Italian Ambassador asked me today whether there was any foundation for the concern felt by the Russians about attempts being made by the National Socialist Party, and in particular by the Aussenpolitisches Amt,¹ to bring about agreements of a political

¹ Marginal note: "I know nothing of this. v. N[eurath], Aug. 2."

nature with Japan. I told him that the report was obviously the result of a beer party which a Secretary or a Military Attaché at the Japanese Embassy gave at the beginning of the year for the gentlemen of the Aussenpolitisches Amt or of the Party, reports of which appeared at that time in the Japanese press. The Ambassador was not satisfied with this answer but said he thought that the Russians' information was not entirely devoid of foundation.

BÜLOW

No. 239

8958/E628087

Memorandum by the Director of Department IV

BERLIN, August 1, 1935.
zu IV Rd. 3319.¹

I venture to propose:

1) That Schulrat Meyer,² who is at present in Geneva, should as soon as possible hand to the representatives of the Signatory Powers present in Geneva, as his own *exposé*, the memorandum³ attached to the draft despatch IV Rd. 3319.¹ For this purpose the memorandum would be sent by airmail to the Consulate at Geneva for transmission to Schulrat Meyer. The memorandum would then have the character of a supplement to the complaints previously handed to the representatives of the Signatory Powers by Schulrat Meyer.⁴

2) That copies of the memorandum to be submitted by Schulrat Meyer be sent to the Embassies in Paris, London, Rome and other interested Missions as informatory material on the state of the campaign over the Memel Landtag elections. The Ambassadors or their deputies in Paris, London and Rome could be directed to make personal approaches to the Governments there about the matter; their instructions would be to describe the measures taken or expected to be taken by the Lithuanian Government to suppress free elections and to express the desire that measures be put in hand to supervise the preparation and conduct of the elections on the spot.⁵

Submitted herewith to the State Secretary for decision.⁶

MEYER

¹ Not printed (8958/E628072-75); this was superseded by the instructions cited in footnote 5 below.

² A former Vice President of the Memel Landtag.

³ Not printed (8958/E628076-84); this listed various measures adopted by the Lithuanian Government which might limit free elections and outlined suitable remedies.

⁴ Schulrat Meyer's correspondence with the Foreign Ministry on the subject is filmed on Serial 8958.

⁵ A despatch on these lines, dated July 30 (the date of the original draft was retained), was sent to the three Embassies and copied to the Consulates at Memel and Geneva (8958/E628088-90).

⁶ Marginal note: "Agreed. Bülow, Aug. 3."

No. 240

5552/E394838-43

Memorandum by an Official of Department IV

BERLIN, August 1, 1935.

CONFERENCE WITH STATE SECRETARY VON BÜLOW ON
JULY 30, 1935¹

Those present were:

For Germany: Ministerialdirektor Meyer
 Consul General von Radowitz
 Secretary of Legation Count Adelman
For Danzig: President of the Senate Greiser
 President Helferich
 President Schäfer
 Senatsrat Böttcher²
 Staatsrat Kunst³

President Greiser first described the course of negotiations with Poland so far⁴ and the situation created in Danzig by the Polish decree.⁵ He described the economic conditions, which were deteriorating daily, and the stagnation of the port of Danzig. He said that in his opinion it would not be possible to reach an agreement with Poland. The present situation therefore required that decisions be taken; here was an opportunity, which might never recur, of freeing Danzig from Poland. He did not want to prejudice German-Polish relations in any way, but Danzig must be procured freedom of action in the economic sphere. He therefore thought that they could not restrict themselves to negotiating with Poland but must take the measures necessary to protect Danzig's supplies and to maintain Danzig's economy. Such measures would also have a favourable effect on internal political conditions in Danzig and on the disastrous mood of the population. His suggestion was that the Free City of Danzig should no longer levy customs duty on any goods; the Free City would thus be enabled to import large quantities of goods from Germany free of customs duty; a measure of this nature would prepare the ground for economic union with the Reich. If the Reich

¹ This conference had been preceded by discussions between Meyer, Schäfer and Helferich and later between these three and Schacht, Sarnow and Greiser; Meyer recorded these discussions, and a conversation between himself and Greiser, in memoranda of July 30 (5552/E394833-36 and 8828/E614492).

² Böttcher's memorandum on this conference was transmitted by Radowitz under cover of report IG 943 of Aug. 1 (9061/E634711-20). See also document No. 251, footnote 4.

³ G. Kunst, Head of the Danzig Customs service.

⁴ See documents Nos. 158, footnote 3, 215, footnote 2, and 227, footnote 5.

⁵ See document No. 214, footnote 2.

supported Danzig by supplying her with foodstuffs, coal and other goods, she might be expected to get through the coming winter without suffering any serious setbacks, and her currency to remain firm until the spring; he further said that he did not consider it expedient to submit this question to the Führer for decision, in order not to restrict his freedom of action for the future. Germany would then always be able to disavow Danzig.

State Secretary von Bülow then described Poland's political situation and explained the purpose of Ambassador von Moltke's intervention in Warsaw.⁶ It had been desired to point out to M. Beck that Polish policy over Danzig must end in excluding Danzig from the Polish customs area, thus bringing up the whole political problem of Danzig with all that it entailed. This might seriously endanger German-Polish relations. In the further course of the conversation on Danzig M. Beck had denied—against [? our] better knowledge—that it was intended to introduce the Zloty or a bilateral currency; it was essential that this question should no longer be made a subject of the negotiations. It was true that in the negotiations so far M. Roman had consistently aimed at the assimilation of the two currencies; in view of possible divergencies between the aims of the central authorities in Warsaw and those of subordinate Polish authorities it was at all times important to keep a careful check on both to see whether their views coincided. Herr von Bülow was well aware, however, that Poland would probably try to gain her ends by other means.

On Germany's attitude to the Danzig problem Herr von Bülow said that we had always avoided raising the Danzig question. An amicable understanding on the return of Danzig was inconceivable, and a forcible solution, out of the question for other reasons too, would mean the end of German-Polish relations. In any case it was altogether undesirable to separate the Danzig problem from the Corridor problem. If one endeavoured to reach a solution over Danzig alone, this would indubitably entail renouncing the Corridor, and he was convinced that the Führer would under no circumstances approve of this idea. Herr von Bülow requested that any talk of reuniting Danzig with the Reich, either politically or economically, be strictly avoided. If the Poles should broach this question in any way, he would request the Danzigers to remain entirely passive and to leave it to Berlin to discuss this matter with Poland.

Herr von Bülow recommended that at the forthcoming discussions with M. Papée it should be emphasized that even now Danzig was still prepared to remove all difficulties by negotiation. But, on account of the increasing distress in Danzig, he would press for the negotiations to be opened as soon as possible and brought to a speedy conclusion; protracted negotiations were out of the question for

⁶ See document No. 224 and footnote 2 thereto.

Danzig. The object of the negotiations should be to get the decree rescinded as quickly as possible and to reach an objective settlement satisfactory to both parties. Herr Greiser should point out that Poland had stated that the chief justification of her measures was the depressed rate of the Gulden. But the Gulden was now only very little below par (4 per cent); he should suggest discussions between experts in order to find ways and means of completely eliminating this discount. If, however, M. Papée should put forward any new arguments on this subject, Herr Greiser should emphasize Danzig's willingness to negotiate on them as well. But if M. Papée should demand the withdrawal of Danzig's counter-order against the Polish decree,⁷ he should refuse this and should say that a discussion on the legality or illegality of both the decree and Danzig's counter-order would lead nowhere, and he might perhaps suggest a legal investigation of this question. Herr Greiser should then state that Danzig must reserve the right to take the necessary economic measures for supplying her population and maintaining her economy.⁸ Regarding Herr Greiser's proposal Herr von Bülow said that the general importation of goods free of customs duty into Danzig was out of the question. The measures must never be allowed to lose their emergency character. For this reason he did not consider either duty-free imports as such, or the, in effect, unlimited import of goods, to be practicable, but he agreed with President of the Reichsbank Schacht's view that they should only suspend payment of customs dues,⁹ and only on certain goods; this list could then be successively extended in accordance with further developments. Thus this measure could best be shown to be in the nature of a measure for the protection of Danzig's population and economy. Herr von Bülow then went on to say that Herr Greiser should never disregard the question of guilt in any discussions or measures. It was most essential that in every phase of the Danzig-Polish conflict the guilt should rest irrefutably on the Poles and that this should be proved by the documents.

Regarding possible Polish counter measures, Herr von Bülow declared that there was no longer any question of Polish troops marching into Danzig; such times were past. He could not deny quite so categorically the possibility of action at sea, such as blockading the port or the like, although he did not consider this likely.

In reply to a question by Herr Greiser as to whether it would not be desirable to hand M. Papée a note, Herr von Bülow said that he did not consider it practicable to communicate a document of this sort at the present moment. After their conversation, Herr Greiser could send M. Papée a *résumé* of his statements in the form of an *aide-*

⁷ See document No. 215, footnote 3.

⁸ In a memorandum of July 31 (8828/E614487-91) Greiser recorded a conversation held that day with Papée on the lines indicated in the document here printed.

⁹ Schacht had expressed this view in the discussion referred to in footnote 1 above.

mémoire, in order to make certain that he had made his position clear to M. Papée.

Ministerialdirektor Meyer recommended that when dealing with this matter the press should not raise the question of Danzig's economic reunification with the Reich, and that the argument that the Free City was in a state of emergency should be consistently used.

Herr von Radowitz then pointed out that the question of a political return to the Reich and of an economic union with the Reich had recently been openly canvassed by the *Gauleitung* in Danzig.

When Senatsrat Böttcher remarked that Poland would presumably demand the complete abolition of the foreign exchange control, State Secretary von Bülow replied that he had already said that Danzig should declare her willingness to negotiate on all points which Poland might bring up.

Staatsrat Kunst expatiated on his misgivings about suspended customs payments and argued in favour of duty-free imports, above all on the grounds that otherwise Danzig would run up debts amounting to millions which she could never pay off. State Secretary von Bülow admitted the possibility of such dangers, but stressed that the political factor which the suspension of customs dues represented at present outweighed all other considerations. President Helferich also spoke in favour of suspending customs dues and said that the difficulties which Herr Kunst had mentioned could be eliminated later either by a clearing arrangement or by other means.¹⁰

President Helferich requested that the Reich Ministry of Finance and the Reich Ministry of Food should settle the financial and administrative aspects of the measures requested by Danzig as quickly as possible.¹¹

ADELMANN¹²

¹⁰ See also document No. 244, footnote 5.

¹¹ By express letter of July 31 (5552/E394816-17), Bülow requested the Reich Ministers of Economics, Finance and Food and Agriculture each to appoint an official to be responsible for these measures.

¹² A memorandum by Meyer of July 31 (5552/E394821) reads: "I informed the Foreign Minister this morning of yesterday's discussion with the Danzig gentlemen and President Schacht [see footnote 1 above] and of the conference with Herr von Bülow. The Foreign Minister approved the proposed measures and stated that it would be desirable to warn the Poles that matters could not continue as they were. Herr Greiser should conduct the negotiations in a most conciliatory spirit, but should take the measures which had been agreed." In a further memorandum of July 31 (5552/E394824) Meyer recorded that he had informed Greiser and Schacht of Neurath's approval.

No. 241

6111/E453105-06

Memorandum by the Director of Department II

SECRET

BERLIN, August 1, 1935.
zu II Oe. 1658.¹

The idea of establishing a *Bureau Megerle* has been approved by the appropriate departments and also by the very highest authority in the Reich. Herr Megerle has, in the past day or so, received a letter from the Presidential Chancellery informing him that the Führer and Chancellor in person would receive him at Obersalzberg in the near future, in order that Herr Megerle might report to him on his plans for the establishment of his bureau.

Megerle's aspirations lie in the sphere of propaganda and culture and embrace the maintenance and furthering of cultural and intellectual relations between the Reich and Austria. It is hoped that his activities will provide moral support for the National element in Austria. Megerle's plans are supported in all respects, including finance, by our Minister in Vienna, Herr von Papen, and, on his representations, by the Reich Ministry for Enlightenment and Propaganda, as also by the various Party organizations. In view of the international importance of Dr. Megerle's work it would appear essential that the Foreign Ministry should support and materially further his work by the grant of a considerable sum, thus ensuring that the Foreign Ministry will be able to make its influence felt in the execution of Megerle's plans.

Herewith to Department I for Senior Counsellor Schmidt-Rolke, as agreed.²

KÖPKE

¹ This number refers to a memorandum by Köpke of June 27 (6111/E453099) suggesting that certain German newspapers should be distributed in Austria and that Karl Megerle should be entrusted with this action, for which a monthly sum of 3,000 RM should be made available. Karl Megerle was a journalist specializing in Austrian affairs who had been appointed an official in the Reich Ministry of Propaganda on Oct. 8, 1934, and on Hitler's orders had been attached to the Press Department of the German Legation in Austria on Dec. 1, 1934.

² A manuscript minute by Department I dated Aug. 16 (6111/E453107) attached to this document reads: "The sum of 5,000 RM, in payment outright for the execution of Megerle's project, is herewith placed at the disposal of Department II Oe. by Department I." The above sum is acknowledged in the following terms: "I have today received RM 5000 (five thousand Reichsmark) paid to me by Counsellor Altenburg, Aug. 20, 1935. Karl Megerle."

No. 242

769/270819-20

Memorandum by an Official of Department II

BERLIN, August 1, 1935.
e.o. II M 1799.

For the State Secretary via Ministerialdirektor Köpke.

The enclosed guiding principles¹ laid down by the Commander of the Landespolizei represent a—clearly definitive—comprehensive settlement of the question of the camouflaging of the Landespolizei in the demilitarized zone. The question of the uniform is settled in the way we desired,² that is to say the wearing of the grey-green uniform and the steel helmet is forbidden, and only grey-green uniforms bought privately may be worn off duty (point 10). As emerges from the guiding principles, the Landespolizei in the demilitarized zone are equipped with heavy and light machine guns, sub-machine guns, and light mortars. They may not have anti-tank guns in the demilitarized zone itself, and they may only carry out exercises with this weapon outside the demilitarized zone. With light mortars, which may only be stored in enclosed places, exercises may only be carried out inside the enclosed places where they are kept. The heavy machine guns may only be used for exercises outside the barrack square if they are taken to the training ground camouflaged on covered carts or motor vehicles.

Moreover, camouflage names have been prescribed for the weapons (for instance, long sub-machine gun for light machine gun). Camouflage names have also been introduced for blocking units and telephone and wireless companies.

Finally, the order is important that press and professional photographers are to be kept away from everything concerned with equipment and training, and that even in private conversations data regarding strengths, service organization, etc., may not be given.

¹ Not printed (769/270808-18). This was entitled "Guiding principles for 'camouflage' within the Landespolizei [*Richtlinien für die 'Tarnung' bei der Landespolizei*]", and had been transmitted with a circular of the Commander of the Landespolizei dated July 29 (769/270806-07).

² Frohwein had recorded in a memorandum of June 22 (769/270793-96) that the Landespolizei objected to Blomberg's order of May 27 [document No. 118] on the uniform to be worn within the demilitarized zone and had suggested that all the police forces throughout Germany should be issued with the grey-green uniform. A marginal note by Köpke on this memorandum authorized Frohwein to press for the order to be complied with. In a further memorandum of July 26 (769/270802-03) Frohwein noted that, in reply to information from the War Ministry that General of Police Daluge was to approach the War Minister once again for permission for the grey-green uniform to be worn by the Landespolizei in the demilitarized zone, he had pointed out that the Führer's decision on that zone [see Editors' Note, pp. 171-178, point 3] required, in the Foreign Ministry's view, that the order of May 27 be upheld.

If closely and scrupulously adhered to by all local authorities, these regulations seem to me to be acceptable from the point of view of foreign policy.³

FROHWEIN

³ In a memorandum of Nov. 18 (769/270840-41) Frohwein noted that at Daluge's request Hitler had approved the wearing of field-green uniforms by the Landespolizei in the demilitarized zone, and that Blomberg had similarly expressed his agreement. A minute of Nov. 19 by Neurath on the first page of this memorandum states that he had spoken to General Keitel, who would put the Foreign Ministry's point of view to the War Minister on Nov. 21. An order by Keitel of Nov. 21 to the Commanders in Chief of the three services, communicated to the Foreign Ministry by Lt. Col. Scheller (769/270844), approved the wearing of the grey-green uniform by the Landespolizei in the demilitarized zone; the wearing of the steel helmet was still prohibited.

No. 243

6695/H103825-31

The Ambassador in Great Britain to the Foreign Ministry

A 2646

LONDON, August 1, 1935.

Received August 2.

IV Ru. 3062.

Subject: Eastern and Air Pacts.

With reference to despatches Nos:

IV Ru. 2924 II of July 27, 1935.¹

IV Ru. 2970 of July 29, 1935.²

II R 1790 of July 30, 1935.³

Sir Samuel Hoare asked me to come and see him again today.

He referred to the discussions (of which you are aware) which I had recently with Wigram⁴ and of which he showed himself informed, and he began by stressing once again the British Government's earnest desire that Germany should decide to adopt a positive attitude to the question of the Eastern Pact.

Thereupon I again gave, in terms similar to those I had used to Wigram, a clear *exposé* of our attitude, stressing once more that France's and Czechoslovakia's hypocritically disguised anti-German treaties of alliance with Russia had completely changed the basis of our [Stresa] declaration of April 13. I added that the Reich Government had not yet come to any definite decision and indicated, in accordance with despatch II R 1790 of July 30, that in the meanwhile we had been in touch with the French Government in this matter, and were still in touch with them, without any clear results having been obtained so far. The prospects of a favourable decision

¹ See document No. 220 and footnote 2 thereto.

² See document No. 231 and footnote 4 thereto.

³ See document No. 225 and footnote 7 thereto.

⁴ See document No. 336.

by the Reich Government were in consequence still meagre. Sir Samuel expressed satisfaction over the fact that at least there had not as yet been any *formal* German rejection, and said once again that he hoped the Reich Government would after all find ways and means of actively cooperating in the creation of the Eastern Pact.

The Foreign Secretary then went on to discuss the Air Pact. He said that he had consistently argued in Paris that the Air Pact should not be made dependent upon the settlement of the other items in the programme of February 3. He would not conceal the fact that the French Government still held the view that discussions on the Air Pact would require the Eastern Pact to be tackled simultaneously. In spite of this, however, he was prepared to exert pressure in Paris to get the Air Pact taken in hand as soon as possible, for he had made it the main aim of his policy to bring this treaty about. He had in mind an exchange of views through diplomatic channels on the construction of the Air Pact, to start as soon as possible, in which the British Government would be prepared to act as a kind of "Clearing-House"⁵ for the various points of view.

Sir Samuel then touched upon the conflict in the Air Pact question between the German and French Governments over the admissibility of bilateral agreements. He said that he was aware, both from our draft treaty⁶ and from the various statements I had made at the Foreign Office, of the fact that we were opposed to supplementary bilateral agreements. Britain appreciated our point of view in this matter, and was opposing most vigorously any suggestion in Paris of separate bilateral military agreements within the Pact calculated to upset its equilibrium. But, in his struggle to obtain French consent to early Air Pact negotiations, he had become convinced that France attached great importance to certain bilateral agreements and that it would at present hardly be possible to persuade her to abandon them. These bilateral agreements must not of course have the character of potential military alliances, but might at most relate to the use of air-fields on the co-signatory's territory in an emergency, or to methods of maintaining regular contact through the Air Attachés. He could not think that the equilibrium of the Air Pact would be disturbed by such bilateral agreements, and he therefore earnestly requested us to abandon our demand that all bilateral agreements should be excluded on principle, in order that the Air Pact negotiations might be more quickly begun.⁷

I did not conceal my indignation over the dishonest game the French are playing. I explained that the whole essence of the

⁵ In English in the original.

⁶ Document No. 106, enclosure.

⁷ Marginal note in Neurath's handwriting: "There can be no question of this."

Locarno Rhine Pact lay in its equilibrium. Even at the time when the Locarno Treaties were being negotiated, Sir Austen Chamberlain⁸ had had to combat French attempts to destroy this equilibrium by means of separate bilateral military agreements between Britain and France, and in the ten years since these treaties had come into being attempts of this kind had been made again and again. Since Italo-French antagonism had turned into Italo-French amity, the French had made similar attempts in Rome, and these attempts were now aimed at building into the Air Pact the framework of a Franco-Italian military alliance directed against Germany.⁹ French post-war policy as a whole was characterized by France's efforts, whenever she agreed to take part in an attempt to settle German-French problems, to bring about agreements against Germany with as large a circle of allies as possible. This had led to a constant dualism between a policy of understanding on the one hand, and a policy of encirclement on the other, which was once again clearly apparent from the French demand for bilateral agreements supplementing the Air Pact. This demand had, in any case, no basis whatever in the Air Pact project put forward by Britain and France on February 3, but was a flagrant misrepresentation of it. Germany's attitude, however, and with it her condemnation of bilateral agreements, was in complete harmony with the proposals of February 3 and was in every respect well founded, honest and just. I could therefore hardly think that the Reich Government would put up with the French attempt, recalling as it did certain similar attempts in the East, to smuggle anti-German military agreements into the Air Pact.

Sir Samuel Hoare agreed with me in principle. He said that Britain had already informed Paris that direct, separate, military agreements were out of the question, and he assured me that Britain herself would resist any such agreements. The only agreements to be discussed were, therefore, those which the French regarded as being *sine qua non* for enabling the Air Pact to function in case of an emergency. To try at this stage to exclude such agreements too would amount to rendering Air Pact negotiations impossible for an even longer period. He promised that Britain would be on our side when it came to keeping these special agreements within reasonable bounds.

On this I said I thought we would only consider bilateral technical agreements supplementary to the Air Pact to be fit for discussion if it could be ensured that the *same* agreements, without the addition of any special terms at all, should be concluded bilaterally between *all* treaty partners, by which means equilibrium might perhaps be maintained. But I thereupon asked the Foreign Secretary whether this

⁸ British Secretary of State for Foreign Affairs, November 1924–June 1929.

⁹ See also document No. 87.

was not a case of French impudence to which the British should, in the interests of justice and "fair play",⁵ return a clear No.

Sir Samuel insisted that he would not tolerate any shift in the equilibrium of the Locarno concept either. In his view any bilateral agreements should be open to the adherence of all treaty partners. His aim was, in any case, not to distort the Locarno concept but, rather, to define it more clearly. He also hinted that, if the Air Pact did not come into being, France and Italy would in any case conclude bilateral military agreements, the very thing which the Air Pact could prevent.

At the end of our discussion Sir Samuel once again earnestly asked that the German Government should express their willingness to take part in Air Pact negotiations, even if the original German demand that bilateral agreements be excluded were not fulfilled.¹⁰ Germany, he continued, would not be committing herself in any way and could at any time reject as inadmissible any topic scheduled for separate agreements. His main concern was, after all, to get negotiations going; the rest would then follow in the course of these negotiations.

I promised Sir Samuel that I would report on our conversation in detail.¹¹

HOESCH

¹⁰ Marginal note in Neurath's handwriting: "No."

¹¹ See also British Blue Book, Cmd. 5143 of 1936, No. 36.

No. 244

2945/576009-12

Memorandum by the State Secretary

BERLIN, August 2, 1935.
[IV Po. 5204.]¹

The Polish Ambassador, who had been recalled from leave, called on me this morning to discuss the Danzig question. He drew a comparison between his visit and the conversation that Ambassador von Moltke had had with Foreign Minister Beck on July 24,² and gave a substantially accurate summary of this conversation. He added, emphasizing the goodwill shown by Beck, that the upshot of the conversation had been that the Polish-Danzig dispute was to be cleared up by negotiations to be held forthwith. The Polish representatives had repeatedly tried to get the negotiations with Danzig under way, but without success. Day after day the Danzig gentlemen concerned had been either out shooting or otherwise engaged.

¹ Taken from another copy (5552/E394780-83).

² See document No. 224.

Finally, the day before yesterday, there had been a discussion which had proved generally satisfactory.³ The Danzig proposals had been forthwith transmitted to Warsaw by the Polish representatives where they had been studied and had been approved by Foreign Minister Beck. Negotiations on the subjects proposed by President of the Senate Greiser were to have taken place yesterday in Danzig.⁴ Then, entirely without warning, the Danzig decree about duty free imports had been decided upon and published.⁵ This decree was in flat contradiction to all the treaties and created a new situation. He [Lipski] had been instructed by Foreign Minister Beck to inform Herr von Neurath through me that the resulting situation was very grave. The Ambassador repeatedly stressed in various ways the gravity of the situation, but without defining more closely the consequences. He merely said that the treaties had been most seriously infringed, that the basis of negotiations had been prejudiced by the Danzig action, and that it was now for the Senate to do something to relieve the tension.

I told the Ambassador that the root cause of the difficulties was the Polish decree,⁶ which had caused us great surprise and which was incompatible with the treaties. This had had the effect of excluding Danzig to a certain extent from the customs union with Poland. We had been so taken aback by this transfer of economic disputes to the political sphere, that the Foreign Minister had brought Herr von Moltke back from leave and had sent him to Warsaw, primarily in order to point out what serious consequences, in the form of increasingly severe measures on both sides, this political act by Poland must have, and that the results must be most undesirable to us in view of German-Polish relations. We had suggested immediate negotiations for the purpose of reaching agreement between the parties and had also advocated such negotiations in Danzig (through our Consul General).⁷ The Polish customs decree represented a tremendous

³ See document No. 240, footnote 8.

⁴ An unsigned minute of Aug. 2 (5552/E394777-78) records a telephone message from Danzig stating that Papée had called on Greiser on the evening of Aug. 1; Papée had stated that he had been authorized to negotiate on the situation which had arisen from the Polish and Danzig measures, but that everything had been changed by the Senate's most recent action (see footnote 5 below). Negotiations could only take place when this had been rescinded. The Polish Government would use all means at their disposal to ensure that the treaties which had been violated by Danzig were respected, and they possessed such means. Papée had asked for a note from the Senate giving reasons for their action. A minute on this conversation was forwarded by Radowitz under cover of report IG 953 of Aug. 3 (9061/E634724-27).

⁵ On Aug. 1 the Danzig Senate issued an order to the Danzig Customs administration permitting the entry into the Free City, duty free, of a number of articles necessary to the Danzig population (see League of Nations: *Official Journal*, February 1936, p. 211). Radowitz had reported on the Senate's decision by telephone on Aug. 1; on the minute of this telephone call (5552/E394793-96) Meyer had noted: "It had been agreed that the duty should be *suspended*, but not that imports should be *duty free*."

⁶ See document No. 214, footnote 2.

⁷ See document No. 224, footnote 14; see also documents Nos. 226 and 227.

blow to Danzig's economic life. Danzig's port and trade were completely paralysed. Naturally this had caused acute tension and the Danzigers, in their dismay, had seized on all measures which they considered necessary to preserve their economic life. I said that only last Monday I had had a detailed conversation on this subject with our Consul General in Danzig,⁸ and had charged Herr von Radowitz to recommend to the Danzig representatives that they should enter into negotiations with the Polish representatives in order to compose the dispute as quickly as possible. This had no doubt been done, but on the other hand Herr von Radowitz had described to me in detail the desperate situation and the despairing mood of the population in Danzig, so that I was not surprised at the measures taken by Danzig, which I had only read about in the newspapers and of the implications of which I had at present no detailed knowledge. I therefore urgently requested the Poles to endeavour, by means of negotiations concerning whatever had occasioned the Polish decree, which was the root cause of the present acute conflict, to go to the heart of the matter and thus clear it up. I said that Foreign Minister Beck had told Herr von Moltke that the main reason for the Polish decree had been the devaluation of the Gulden and the loss incurred by Poland through the payment of customs dues in Danzig Gulden. I had meanwhile ascertained that this was a mistake. The customs receipts were transferred to Poland exclusively in Zloty, so the resultant loss was borne by Danzig;⁹ moreover, the discount on the Gulden had improved from fifteen or ten to two per cent. In my view it would be a small matter for experts to conclude agreements which would get rid of all justifiable complaints. Then the measures taken by either side could be dispensed with and normal conditions would be restored.

The Ambassador in his turn pointed out that everything had previously been going very well, that Poland had in principle accepted the proposals put forward by Danzig in the negotiations, and that Poland had no political designs on Danzig in the circumstances of the present conflict. There could be no question of pressure on Danzig. Poland was prepared to help Danzig in whatever way was required, and he kept repeating that a very serious situation had now arisen through the action taken by Danzig, so I asked him rather sharply whether he meant that Poland no longer wished to negotiate with Danzig. After some reflection he denied this and then said that it was for the Danzigers to take the initiative. We then spoke about the possibilities of a technical settlement, but the Ambassador had

⁸ No record of a conversation between Bülow and Radowitz has been found; Radowitz was, however, among those present at the conference of July 30 (see document No. 240).

⁹ In a memorandum of July 26 (8828/E614495), another copy of which (5552/E394898) was initialled by Bülow on July 27, Meyer recorded information from Schäfer to this effect.

little information and merely repeated his assurances that Poland was pursuing no political designs. He said that their best negotiator, Ambassador Roman, was again available, and in conclusion the Ambassador repeated that an extraordinarily grave situation had arisen. On taking leave the Ambassador also told me that he considered it advisable to inform the Party authorities here ("in case he happened to meet anybody") of the gravity of the situation.¹⁰

It seems to me in keeping with the present situation for the Danzig Senate to state once more that they are prepared to enter into negotiations, in order again to put the blame on Poland. Should negotiations come about, it will immediately be apparent what value attaches to the Polish assurances about their political designs.¹¹

BÜLOW¹²

¹⁰ See also document No. 251.

¹¹ A copy of the document here printed was sent by Bülow to the Consulate General in Danzig under cover of a despatch of Aug. 2, with instructions that Greiser should be informed orally of the contents of Bülow's memorandum and be requested to propose to Papée immediate negotiations on the whole complex of problems; a discussion on the rescinding of the various measures taken by Danzig and Poland was to be avoided. A copy of the memorandum and of the despatch to Danzig were transmitted by Meyer to Warsaw under even date (5552/E394779). Copies of the memorandum were also sent by Meyer to Schacht and to the Prussian Ministry of State under cover of letters dated Aug. 2 (5552/E394791-92).

¹² See also document No. 245.

No. 245

5817/E423983-86

The Foreign Minister to the Führer and Chancellor

LEINFELDEN A/D ENZ, August 2, 1935.

Rk. 6463.

DEAR REICH CHANCELLOR: The Danzig-Polish dispute has taken a much more critical turn, as emerges from the enclosed memorandum of today's date by State Secretary von Bülow.¹ Last week I had Ambassador von Moltke recalled from leave and sent him to Danzig [*sic*: Warsaw] to inform Minister Beck of the threat to German-Polish relations which this deterioration of the Danzig situation might represent, and to request him to exert his influence in Warsaw to ensure that the Poles did not aggravate the economic dispute by taking political measures.² This has nonetheless occurred; for it is hard to see in the prohibition of customs clearance for goods imported via Danzig³ in Danzig Gulden any other intention than that of

¹ Document No. 244.

² See document No. 224.

³ See document No. 214 and footnote 2 thereto.

finishing off the Danzig currency once and for all and forcing the Danzig leaders to take a further step towards the unification of the Free City with Poland by introducing the Zloty currency. On the other hand, I repeatedly had President of the Senate Greiser and the other Danzigers told that they were to take no steps likely to raise the Danzig problem at the present moment. The Danzigers had been toying with the idea of taking the opportunity provided by the difficult economic situation which has resulted from the step taken by Poland, to declare unilaterally the reunification of Danzig with Germany. I, on the contrary, caused them to be advised that they should at all events negotiate with the Poles with a view to inducing the latter to rescind the decree prohibiting customs clearance of goods to be imported into Poland via Danzig in Danzig Gulden, in order, should the Poles persist in refusing, to put them in the wrong. In discussions in Berlin at which Dr. Schacht and Herr von Krosigk were present, it was decided on Tuesday of this week that, as a temporary measure, Danzig's supplies of essential goods should be secured by suspending customs duty on these goods.⁴ The suspension of duty was decided upon only in order to prevent Poland from alleging violation of treaty. It has been reported to me today that Danzig has, however, decided in favour of duty-free imports,⁵ which has resulted in the *démarche* by the Polish Ambassador described in the enclosed memorandum. It is my view that we should as yet not raise the Danzig question, since this must inevitably have an extremely harmful effect on German-Polish relations. At least we should avoid doing anything likely to result in political issues being raised. If, as a result of measures taken by Poland, Danzig should be placed in a position where, in order to feed her population, she would for her part be obliged to take economic measures in violation of the treaty provisions, then, in view of the revision of the Danzig treaties which will gradually become necessary, the situation will be greatly improved. At all events I consider it desirable that it be repeatedly impressed upon the Danzigers, who are understandably agitated, that they should take no precipitate measures without first obtaining the approval of the German Government. Danzig's economic situation has certainly become very difficult, but it is not so desperate that it could not be cleared up, at least temporarily, without raising the Danzig question, which would be most awkward for us at present.

I felt it incumbent upon me to inform you of this state of affairs. Should you wish to discuss the matter with me, I am at all times at

⁴ For these discussions in Berlin on July 30 see document No. 240 and footnotes 1 and 9 thereto. No record of Schwerin v. Krosigk being present has been found; in a memorandum of July 31 (5552/E394837) Bülow noted that he had that day informed Krosigk of the Danzig situation insofar as it concerned his ministry.

⁵ See document No. 244, footnote 5.

your disposal. In such an event, however, it would be desirable for Dr. Schacht and Herr von Krosigk to be present too.⁶

With the German greeting,

Yours, etc.,

NEURATH⁷

⁶ The document here printed was initialled by Lammers on Aug. 3.

⁷ A copy of this letter, in the files of Ministerialdirektor Meyer (5552/E394718-21) is marked: "Respectfully submitted to the St[ate] S[ecretary] for his information. B[erlin], Aug. 2, 1935. Etzdorf." A minute (5552/E394717) filed with this copy reads: "Immediate: To M[inisterial] D[irektor] Meyer with the request that it be returned. The Foreign Minister's statements are incorrect on some points and out of date on others. The reply to the enquiry from St[ate] S[ecretary] Lammers is therefore all the more important (we will send a copy of the reply, and of the enquiry, to the Foreign Minister). The reply to Lammers must be brief, set forth the historical development with chronological accuracy, emphasize as such the most important points in the dispute and close by saying that everything is in a state of flux and that the memorandum could already be outdated by the time it arrives. Bülow, Aug. 3."

The reference to the enquiry by Lammers is to a communication from him dated July 30 (5552/E394701-09), in which he forwarded, with a request for the Foreign Ministry's views, a memorandum by Greiser dated July 23 (5552/E394968-77), in which the situation in Danzig since the devaluation of the Gulden was reviewed and possible future courses of action discussed. Under cover of a letter of Aug. 6 (5552/E394699-700) Bülow sent Lammers a memorandum of Aug. 5 (5552/E394710-13) on the lines indicated in his minute of Aug. 3.

No. 246

7826/E568030-32

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 159 of August 3

ROME, August 3, 1935—11:15 p.m.

Received August 4—2:30 a.m.

II It. 1186.

Mussolini received me today, to bid me farewell before my going on leave, shortly after the news of the Geneva agreement had reached him.¹ During our conversation he appeared to me to be unusually serious and almost embittered, while at the same time displaying the greatest determination. The resolution to bring up the problem as a whole in the League of Nations Council in early September had been adopted with Italy abstaining from voting, while he had refused under threat of withdrawing from the League of Nations to admit Abyssinia to the Three-Power discussions.² There was really no object, he said, in their dealing with the Walwal incident³ any further, and the

¹ The League of Nations Council met in extraordinary session July 31-Aug. 3 to discuss the Italo-Abyssinian dispute. Two resolutions were adopted, one concerning the competence of the Commission of Conciliation and Arbitration, the other to call another meeting of the Council for Sept. 4, 1935. See League of Nations: *Official Journal*, August 1935, pp. 963-976.

² It had been announced in a communiqué issued in Geneva on Aug. 3 that the three Powers, Britain, France and Italy, had met together at Geneva on Aug. 1, and, as signatories of the Treaty of Dec. 13, 1906, concerning Ethiopia, would open conversations amongst themselves at the earliest possible date with a view to facilitating a solution. Conversations were, in fact, held in Paris, Aug. 16-18, 1935.

³ This incident, when fighting had broken out on Dec. 5, 1934, in the area of Walwal between Italian and Abyssinian troops, had been the immediate cause of the Italo-Abyssinian dispute.

Council session which had concluded today had in any case represented only an intermediate stage. He had no hopes of the Three-Power conversations. He would not accept a second Adowa,⁴ and without a fight at that. The hour of decision would strike in the Council session at the beginning of September. Only if all of Italy's demands were satisfied could war be avoided; this, however, was improbable and it was too late for any sort of compromise solution. Some people had obviously not yet grasped the fact that Italy was a different country now from what she had been before, above all militarily. He had laid two mines, one in Africa and one in Europe; he was prepared to explode them under anybody who refused to understand the situation, including people who thought such a thing impossible. In one way British policy had been very much in his favour, for the British lash had roused the remainder of his people who up till then had been filled with inner trepidation. The first days of September might have consequences more far-reaching than some people imagined. In this connection he warmly welcomed Germany's steadfast neutrality, which could have a very favourable effect on future German-Italian relations. He desired nothing more than neutrality. I confirmed this to be our attitude and then expressed some surprise at the sudden and not entirely clear initiative which had been taken in respect of the Danubian Pact, in which context I referred to Engely's strange interpretation in *Affari Esteri*, which was regarded abroad as semi-official. Mussolini denied that it was semi-official and stated that it was a French initiative. However, he too desired a Danubian Pact, but if we opposed bilateral assistance pacts, we would have his full approval. I asked once more for confirmation that the Franco-Italian Pact would be replaced by the Danubian Pact⁵ and I said further that it was not of course sufficient for there to be no mention in the Danubian Pact of bilateral treaties, but that we required safeguards against methods of that kind, nor could I deny that we viewed with a certain mistrust the close military cooperation between France and Italy. Mussolini replied that our efforts to safeguard ourselves against such treaties had his sympathy too. As far as Italy's relations with France were concerned, they were, in fact, good, but the first small cloud had already appeared on the horizon. Moreover, he again expressed the fear, which he had already mentioned recently, that a French Cabinet of the extreme Left might come to power in the autumn, which would be as disagreeable for Germany as it would be for Italy. There were indications of a revival of Communism in various forms, which was also becoming noticeable in Italy. I drew

⁴ Italian forces had suffered an overwhelming defeat at Adowa in 1896, when attempting to invade Abyssinia.

⁵ See also document No. 87.

his attention to events in Germany, especially the Communist attempts at camouflage and at making use of political Catholicism, and to the sharp measures we had taken in consequence. Mussolini discussed this subject with extraordinary interest, adducing parallels from the history of Fascism, but said that we should avoid a *Kulturkampf* at all costs. I said that this was our intention but whether it would be possible would depend upon the other side.

Mussolini concluded by once more expressing his firm resolve in the Abyssinian question and emphasizing the profound gravity of the decisions to be taken at the beginning of September.

HASELL

No. 247

5552/E394757-58

Memorandum by the Director of Department IV

BERLIN, August 4, 1935.

President Greiser telephoned me this evening at 10 o'clock and told me that he had heard from an absolutely reliable source in Warsaw that M. Lipski had asked M. Beck to give him the necessary authority to settle the Danzig affair in Berlin in accordance with Polish wishes; he had said in Warsaw that his connections were so good that he could get the Polish point of view accepted.¹

Herr Greiser said further that he had already had a telephone call this evening from Minister President Göring in Berchtesgaden, who had reproached him with not being willing to negotiate. He, Greiser, had after all agreed on Wednesday evening² to negotiate; why had negotiations not begun? Minister President Göring is to telephone Herr Greiser again this evening.³ Herr Greiser thought that Minister President Göring, and perhaps the Führer too, had not been correctly informed and he requested that the necessary memoranda should be sent to Berchtesgaden at once.

I replied that State Secretary von Bülow's memorandum⁴ on his conversation with M. Lipski had already been delivered on Saturday⁵ to the Prussian State Ministry for Minister President Göring.⁶ Tomorrow morning I would inform Herr von Neurath by telephone of what he [Greiser] had told me and would then ring Greiser back.

I advised him to ask M. Papée to come and see him tomorrow in

¹ Heavy sidelining in Neurath's green crayon appears against this passage. Neurath initialled the document here printed on Aug. 5.

² i.e., July 31.

³ In a memorandum of Aug. 5 (5552/E394755) Meyer recorded that he had learned from Greiser that the latter had been told by Göring the previous evening to hold himself available for discussions [in Berlin] on Aug. 6. See also document No. 250.

⁴ Document No. 244.

⁵ i.e., Aug. 3.

⁶ See document No. 244, footnote 11.

any case, and again to offer to negotiate, irrespective of whether an answer to his Note⁷ had arrived or not. I also urged him to place special emphasis on Danzig's willingness to negotiate when he saw Minister President Göring.

MEYER

⁷ For the Polish request for a note from the Senate, see document No. 244, footnote 4. Meyer recorded on Aug. 3 (5552/E394767) that Greiser had telephoned and communicated the text of the Danzig Note (5552/E394761-63) which had just been despatched. The text of the Polish reply, dated Aug. 6 and rejecting the Danzig Note, was telephoned from Danzig that day (5552/E394689).

No. 248

6695 H103858-59; 61-64

Memorandum by the State Secretary

BERLIN, August 5, 1935.

The British Chargé d'Affaires called upon me today, and, on instructions from his Government, made a *démarche* on the Eastern Pact question, leaving with me an *aide-mémoire*, a copy and translation of which are attached. His remarks tallied with the *aide-mémoire*, but he went beyond the text in stressing the British accusation that we wished to free ourselves from the "undertaking" of April 13. He further placed particular stress on the far-reaching consequences of restricting the circle of signatories of the proposed Eastern Pact to the "neighbouring States" in the literal sense. In conclusion, he requested very urgently that the Führer and Chancellor himself should see the *aide-mémoire* and state his views on it.

The Chargé d'Affaires left with me, unofficially, a copy of the passage in Sir Samuel Hoare's speech of August 1 to which the *aide-mémoire* refers, in order to save me the trouble of looking it up in the files. I also attach a copy and translation of this passage of the speech.¹

The phrase "Baron von Neurath's communication to the British Ambassador, Sir Eric Phipps" of April 13, refers to the declaration, subsequently published by the DNB,² which I communicated on that date to the British Chargé d'Affaires, Newton, on the Führer and Chancellor's instructions. It will be recalled that neither the Reich Foreign Minister nor the British Ambassador were in Berlin on that day. A copy of this declaration is also attached.³

I told the Chargé d'Affaires that I would forward the substance of

¹ Not reprinted. For the text of the speech see *Parl. Deb., H. of C.*, vol. 304, cols. 2925-2936. For the text of the extract handed over by Newton as well as the *aide-mémoire*, see British Blue Book, Cmd. 5143 of 1936 No. 37.

² Document No. 29.

³ Not reprinted; see footnote 2 above.

his remarks and the *aide-mémoire* to the Foreign Minister,⁴ who in his turn would report on the matter to the Führer and Chancellor at a suitable moment. I myself could make no comment on the matter. During our two most recent conversations⁵ I had, however, already pointed out to the Chargé d'Affaires that the conclusion of the Russo-French-Czech alliance had in our eyes altered the situation quite substantially, and that, further, complete clarity about the views and aims of the French Government in the matter of the Eastern Pact had not yet been achieved.

The Chargé d'Affaires took the view that the Russo-French Treaty was exactly the sort of treaty in which, in our declaration of April 13, we had declared our *désintéressement*. This I denied.

BÜLOW

[Enclosure]

*AIDE-MEMOIRE*⁶

From two conversations with the German Ambassador in London on July 29th and 30th,⁷ it transpired that His Excellency was under the impression that as a consequence of the Franco-Russian Treaty of May 2nd the undertaking given to Sir Eric Phipps by Baron von Neurath on April 13th regarding the Eastern Pact had lapsed and that the German Government's commitment in the matter was now limited to the offers contained in the Chancellor's speech of May 21st.

This would seem to indicate that instead of a "collective security pact" of non-aggression, the German Government are only prepared to conclude separate bilateral pacts of non-aggression; and further that, whether there is to be a collective security pact or separate bilateral pacts, the neighbours intended by the German Government to benefit are limited to States with territory contiguous with Germany, namely Lithuania (under the reserve of a settlement of the Memel question), Poland and Czechoslovakia.

If the intentions of the German Government, as explained by the German Ambassador, have been correctly understood, the situation created by such an attitude on the part of the German Government would seem to His Majesty's Government to be most discouraging. They would feel that they had every right to regard the creation of such a situation as deplorable.

His Majesty's Government have naturally considered and still

⁴ Neurath was at Leinfelden. No record of the submission to him of the document and enclosure here printed has been found, but in a letter of Aug. 5 (4619/E198151-52) Bülow mentioned that the British *aide-mémoire*, which he found "pretty steep", had already been despatched to him. See also document No. 249, footnote 5.

⁵ Evidently a reference to Bülow's conversations with Newton of July 6 (see document No. 196, footnote 2) and of July 30, the latter conversation being recorded by Bülow in a memorandum of that date (6695/H103810).

⁶ This *aide-mémoire* is in English in the original.

⁷ See document No. 236.

consider that in Baron von Neurath's written communication to Sir Eric Phipps of April 13th they hold a binding undertaking from the German Government to conclude a collective security pact of non-aggression whether or not mutual assistance arrangements are concluded outside it. That undertaking was given without any reserve or qualification whatever and His Majesty's Government feel entitled to expect the German Government to adhere to it.

If the German Government fail to do so and proceed now to restrict themselves in this matter to what was said in the Chancellor's speech of May 21st, giving moreover the phrase "neighbouring States" the narrow interpretation of States contiguous with Germany, there seems no prospect that any advance can be made. There would surely be no hope that the French Government will be satisfied and the result will therefore be, as has already been explained to Herr von Ribbentrop and to the German Ambassador in London, that the prospects of the Air Pact to which His Majesty's Government and, as they have hitherto understood, the German Government also attach such great importance, may well vanish. His Majesty's Government earnestly hope therefore that the German Government will agree to include in a collective security pact of non-aggression not only Lithuania (subject to a settlement of the Memel question), Poland and Czechoslovakia, but also Latvia, Estonia and Russia.

All these States are covered already by the general obligation of non-aggression assumed by Germany in the Kellogg Pact.⁸ In the case of Russia there is also the Berlin Treaty of 1926 renewed in 1931 and the Conciliation Treaty of 1929⁹ which, with the Kellogg Pact, seem to cover much the same ground as a bilateral non-aggression pact, so that as regards Russia at least the German Government are not being asked to do anything new. That does not mean, however, that the confirmation of what in practice already largely exists would not at this time have an important psychological and calming effect. For example, the Air Pact, which Germany's help in the matter of the Eastern Pact would certainly assist both the German Government and His Majesty's Government to secure, is in many respects a duplication of the Locarno Treaty. But it is not on that account useless, as its moral and tranquillizing effect is an important consideration. It will be remembered that on June 3rd the French Government intimated that they would be prepared to accept the German draft for an Eastern Pact as a basis for discussion¹⁰ and they asked the German Government to inform them as soon as possible of their views as to the most practical method of procedure.

His Majesty's Government wish therefore to bring these con-

⁸ See document No. 235, footnote 7.

⁹ See document No. 236, footnote 9.

¹⁰ See document No. 127.

siderations to the special attention of the Chancellor in view of the emphasis which in his speech in the Reichstag on May 21st he laid on the importance of a peaceful settlement in Europe. In this speech the Chancellor declared that the German Government were ready at any time to take part in a system of collective co-operation for securing the peace of Europe. He not only referred to the "big aim" which the German Government had in view, but stated his opinion that such an aim could only be achieved step by step. This view exactly coincided with that of His Majesty's Government, and the Secretary of State for Foreign Affairs restated it in the House of Commons on August 1st. In these circumstances His Majesty's Government earnestly trust that as one step towards the accomplishment of the big aim of European reconciliation referred to in the Chancellor's speech he will be prepared to proceed with a collective non-aggression pact with the six Eastern States on the lines of the German draft communication to Sir John Simon in Berlin.¹¹

His Majesty's Government will be grateful if their views can be taken into early and favourable consideration and greatly hope that the Chancellor's reply will permit of rapid progress being made in the near future in a matter to which they attach so much importance.¹²
British Embassy, Berlin.

5th August, 1935.

¹¹ See vol. III of this Series, document No. 564, enclosure.

¹² Copies of the document and enclosure here printed, and of the extract from Hoare's speech (see footnote 1 above) were sent to the Missions in London, Rome, Paris, Warsaw, Moscow, Riga, Tallinn, Kovno, Prague and Brussels under cover of despatch e.o. IV Ru. 3109 of Aug. 6 (6695/H103856).

No. 249

7826/E568026-29

Memorandum by the Director of Department II

IMMEDIATE

BERLIN, August 5, 1935.
zu II It. 1179.¹

For the State Secretary

The new outline of the Danubian Pact as it has now come unofficially to our knowledge,² contains the following familiar components: Non-intervention (Article 3), consultation (Article 5) and provisions basing it on the Covenant of the League of Nations (last Article). The

¹ Rome telegram No. 156 of Aug. 1 (7826/E568023-25), in which Hassell reported that he had received a copy of the new French draft; see footnote 2 below.

² With political report No. 140 P. 51 of July 31, 1935 (7826/E568018-21), the Legation in Hungary forwarded a copy of the latest French draft for the Danubian Pact received confidentially that day from the Hungarian Deputy Foreign Minister. Copies of the draft were circulated to the main European Missions on Aug. 5 (7826/E568022). With a covering note requesting secrecy, dated Aug. 2, 1935, Hassell sent an identical text, which Suvich had given him confidentially the day before (7826/E568034-36). For the text see document No. 253; enclosure, and footnotes thereto.

obligation of non-intervention is subdivided as before into the dual obligation of

- a) non-intervention in the internal affairs of any of the signatories,
- b) the suppression *at home* of any attempts at intervention, agitation or propaganda, directed towards changing by force the territorial integrity or the political and social régimes of any of the signatories.

In contrast to the first draft of the Danubian Pact of January 7 last,³ the obligation to render mutual assistance has been omitted from the new draft and is replaced in Article 4 by the obligation of non-support of the treaty-breaking State. Moreover, Article 1 of the new draft contains an undertaking to cooperate in a sympathetic and far-reaching way, and Article 2 an express non-aggression obligation.

The scope of the provision contained in the last sentence of paragraph 3 of Article 3 of the new draft appears obscure; it is there stated that signatories are not obliged to maintain amongst themselves diplomatic, economic or any other relations which are by international law reserved for their own discretion. According to information given to our Ambassador in Rome by the Italian Under Secretary of State, Suvich, negotiations are still in progress between the Italian and French Governments for the purpose of clarifying this clause which is attributed to a suggestion made by Beneš and is presumed to refer to the question of the Habsburg restoration.

A number of countries interested in the pact, for example Hungary and the States of the Little Entente, have yet to state their views on the matter. We have hitherto confined ourselves to informing those of our Missions abroad who are concerned of the new outline of the treaty.⁴ It is, however, extremely desirable for our attitude to this draft to be clarified as soon as possible, since it is likely that the German Government will very shortly be officially seized of this project and even a provisional ruling on language to be held depends on our attitude in principle being clarified here at home.

A decision on the pact can be taken in one of three possible ways:

- 1) rejection,
- 2) dilatory treatment,
- 3) adherence, whilst obtaining a text formulated as advantageously as possible.

In view of the link which exists, within the framework of international policy, between the Danubian Pact and the Eastern Pact, the decision will necessarily have to be taken with *both* pacts in mind. In this connection it must be remembered that it would be possible to pursue the idea of the Eastern Pact whilst rejecting the Danubian Pact, but not vice versa. For if we accept the Danubian Pact we

³ See vol. III of this Series, document No. 408, enclosure.

⁴ See footnote 2 above.

deprive ourselves of all the arguments which could be used against the Eastern Pact. It does not appear feasible, on the one hand, to sign, in the Danubian Pact, a collective pact of non-aggression with States who are not neighbours and then, on the other hand, to reject this same idea in the Eastern Pact, especially as both the Danubian and the Eastern Pacts contain, apart from the concept of non-intervention, the same elements: an obligation of non-aggression, an obligation of non-support of the aggressor, and consultation.

It may, in this connection, be stressed once more that, following the revival of discussions on the pact, it would be extremely desirable now to define the ultimate objective of our negotiations in respect of both pacts, because otherwise we run a serious risk, in the course of our diplomatic discussions, of advancing arguments which might eventually be used against us. If, for example, we do not want the Danubian Pact, then the ambiguity of the non-intervention clause might serve as a special argument. On the other hand, a far-reaching definition of this clause would turn to our disadvantage if later we were to decide to accede to the pact. In the event of our joining the Danubian Pact, a definite statement could always be drafted to the effect that the cultural and intellectual interpenetration which is a concomitant of racial ties between two of the signatory Powers should not be regarded as intervention.⁵

K[ÖPKE]

⁵ Typewritten marginal note: "Herr Ministerialdirektor Gaus agrees." Bülow sent Neurath a copy of the document here printed under cover of his letter of Aug. 5 (4619/E198151-52) cited in document No. 248, footnote 4.

No. 250

9061/E634732

Minute by the President of the Danzig Senate

BERLIN, August 6, 1935.

IV Po. 5286.

A discussion took place today, lasting from 2 to 3 p.m., at Minister President Göring's office in Berlin, in which, besides the Minister President and myself, Gauleiter Forster also took part.

The Minister President told us, on the Führer's instructions, that the Danzig question had had so harmful an effect on German-Polish relations as very nearly to cause them to be broken off. Ambassador Lipski had gone to Berchtesgaden on his Government's instructions, and, on the basis of the negotiations conducted there with the Führer,¹ the Polish Council of Ministers had met yesterday afternoon and had decided to send Minister Roman to Danzig with special powers.

¹ No record, other than that contained in document No. 251, of the interview between Lipski and Hitler has been found, but see also Szembek: *Journal*, pp. 109-111.

Minister Papée was to be kept out of the impending negotiations. M. Roman is to call on me in Danzig tomorrow. Danzig is then to rescind her decree concerning duty-free imports,² whereupon Poland will rescind her customs decree.³

A method of taking the discount [on the Gulden] into account when calculating customs dues is to be agreed. Furthermore, a joint communiqué is to be issued.

During the negotiations all points at issue are to be discussed and cleared up. Danzig's wishes about ensuring her food supplies and about economic aid are to be respected by Poland.

GREISER

² See document No. 244, footnote 5.

³ See document No. 214, footnote 2.

No. 251

3015/ 98338-39

Memorandum by the State Secretary

BERLIN, August 6, 1935.

Minister President Göring summoned me this afternoon and received me together with Reich Minister Schacht. He had already received President of the Senate Greiser and Gauleiter Forster earlier.¹ Minister President Göring informed us that he had just come from the Führer and that he and Ambassador Lipski had been to see the Führer yesterday.² Lipski had described in detail the gravity of the Danzig situation. The Führer had recognized the gravity of the situation and its possible consequences for German-Polish relations. By means of discussions by telephone between Lipski and his Government in Warsaw (and apparently also by means of a direct telegram from the Führer and Chancellor to the Polish Government)³ an agreement on the following basis was arrived at yesterday. Both sides will rescind their decrees and the situation which existed before the Polish prohibition of customs clearance will be re-established. A communiqué to this effect will be agreed and will be published tomorrow. Out of consideration for Polish prestige the communiqué will begin with the words, "now that Danzig has rescinded her decrees, etc." Minister Papée will be kept out of the further negotiations and Greiser will be instructed to settle all remaining questions with Minister Roman. The press will be instructed not to publish anything more about Danzig today, but to turn the tables tomorrow upon that third party which has already been rejoicing over the incipient quarrel between Germany and Poland. The press are to

¹ See document No. 250.

² See document No. 250, footnote 1.

³ No record of this telegram has been found in the files.

point out that German-Polish friendship has come successfully through its first crisis and that the speculations of the press in France and elsewhere have been vain. President Schacht stated that the Poles had apparently been using false arguments at Obersalzberg too, that is to say their chief argument had been that Poland was suffering loss as a result of the fluctuations in the value of the Gulden. He added that he was satisfied with the solution and energetically denied that he had ever pursued the idea of creating tension between Germany and Poland or of reuniting Danzig with the Reich.

The Minister President informed me that the Danzig representatives had asserted, with reference to various passages in their minutes,⁴ that at the meeting held in my office I had advocated Danzig's severance from the Polish customs area and her return to the Reich. I was able to put this right immediately, and at the Minister President's request I have sent him a copy of our minutes of the same meeting.⁵

BÜLOW

⁴ See document No. 240, footnote 2. In a minute of Aug. 2 (5552/E394727) Meyer drew Bülow's attention to a passage in Böttcher's account, which read: "He [Bülow] now wished to discuss whether and in what way Danzig could, if need be, be detached from the customs union with Poland and joined to the Reich", and suggested that Böttcher be told that no such statement had been made. A marginal note by Bülow on this minute reads: "I did say (in my opinion in a different context) something similar: I wished that the preparatory work and/or a study of the difficulties of detaching Danzig, etc., should be put in hand, so that one could see clearly whether and how this would be possible. With this I meant our attitude to Point 2 of Greiser's concluding observations of . . . [i.e., of July 23 (see document No. 245, footnote 7)]. B[ülow], Aug. 2."⁵ Radowitz was instructed on Aug. 6 to inform Greiser accordingly (5552/E394726).

⁵ i.e., document No. 240. Bülow's covering letter to Göring, dated Aug. 6, is not printed (5552/E394724).

No. 252

4619/E198160-62

Foreign Minister Neurath to State Secretary Bülow

Temporarily at LEINFELDEN (WÜRTTEMBERG),
August 7, 1935.

DEAR BÜLOW: I have left your letter of July 30¹ unanswered until now because I wanted to wait and see how matters went in Geneva² and with regard to the Danzig-Polish conflict. I assume that the settlement of the latter question, of which I was informed yesterday evening,³ will render possible at least a temporary composition of the dispute through negotiation. The performance at Geneva seems to me not to have reduced, but rather to have increased the difficulties to which Italy's action in Abyssinia gave rise. At any rate it is as yet impossible to foresee how matters will develop during and after the Council meeting which is to take place at the beginning of Septem-

¹ Document No. 234.

² See document No. 246, footnote 1.

³ See document No. 251.

ber. In any case, in view of the repercussions on the coloured peoples of an Italian war of conquest against Abyssinia, the British will have to resist by all possible means a solution by force. Mussolini has committed himself so deeply that he can no longer withdraw without endangering his position. Whether the French will support him in the long run, however, seems doubtful to me. At any rate there is marked disunity in the Stresa front which will in all probability make this front very vulnerable in Europe.

I therefore regard the renewed British and French attempts⁴ to exert pressure on us in the Pact questions as an attempt at creating a diversion, and from this point of view I still think that a discussion of the Pact questions might, as can be seen from the British misconceptions about our statements on the Russo-French Pact of Mutual Assistance, very well lead, as it most certainly would be intended to do, to attempts to make us commit ourselves undesirably and prematurely. Nor can I therefore advise the Reich Chancellor to decide at this stage to make a definitive statement, and I would therefore request you, in accordance with the suggestion you made at the end of your letter of July 30, calmly to declare (and to instruct the Missions accordingly) that no German views can be expected before October. This statement may, without hesitation, be explained as being due to our desire to continue for the time being to observe the development and efficacy of the collective agreements in order not to conclude fresh agreements based on unsound precedents.⁵

I will inform the Reich Chancellor of these instructions.⁶

Yours, etc.,

NEURATH

⁴ See documents Nos. 220, 231, 243 and 248 with footnotes thereto.

⁵ By despatch e.o. IV Ru. 3190 of Aug. 9 (6695/H103898-99), the Embassies in London, Paris, Warsaw, Moscow and Rome were instructed that the various pact projects could not be considered separately, that they were very intricate and required careful study and that, as Hitler and almost all the Ministers were away on vacation, negotiations on these pacts could not be resumed before October. Copies of this despatch were also sent to the Legations in Riga, Tallinn, Kovno, Prague and Brussels. In memoranda of Aug. 9 (6695/H103901) and Aug. 12 (6695/H103914) Bülow recorded that he had informed the French and Italian Ambassadors in this sense.

⁶ See document No. 253.

No. 253

3617/801754-59

The Foreign Minister to the Führer and Chancellor

LEINFELDEN, August 7, 1935.

Received August 9.

Rk. 6593.

DEAR REICH CHANCELLOR: As was to have been expected, London has of late been exerting renewed pressure in order to make us state our views on the question of the Pacts. While the British are in the

main concerned about the Eastern Pact, the French are making efforts to revive the idea of the Danubian Pact as well. We know from confidential information that a new draft for a Danubian Pact has been worked out in Paris and sent to the Italians. The attached translation gives an idea of what this Danubian Pact is to look like.

Although the Eastern Pact and the Danubian Pact in their present form are without any material significance and could, as far as this goes, be signed by us at any time, as they only repeat existing obligations or principles of general application, yet the fact of their conclusion and in particular the date and the States participating are of political importance. The renewed activity on the part of the British and French, in which the Italians appear also to be joining, seems to me to be primarily a diversionary tactic designed to conceal the pitiful part played by the League of Nations in the Abyssinian question and, in Britain anyway, to provide distraction for awkward critics of the Government's attitude to the Abyssinian conflict at present, by issuing information about the Pact questions. We have not the slightest occasion to lessen the difficulties which the British and French Governments are encountering by entering into negotiations on the Pacts which might only too easily cause us to be manoeuvred once again into the rôle of disturbers of the peace. Moreover, it appears to me, above all, desirable to await developments in the Italian conflict and the treatment of this conflict by the League of Nations. I have therefore given instructions that casual replies are to be given to attempts to induce us to state our views on the Pact questions and to say that we do not at present intend to make any statement, but rather to continue to observe the development and effects of the collective agreements in order not to enter into fresh treaties on a model which has already been recognized as unsatisfactory. No expression of our views should therefore be expected before October.¹

With the German greeting,

Yours, etc.,

NEURATH

[Enclosure]²

Translation

THE CHIEF PRINCIPLES TO BE INCLUDED IN A GENERAL TREATY
PROVIDING FOR NON-AGGRESSION, NON-INTERVENTION AND
CONSULTATION OVER CENTRAL EUROPE

A first article under which the High Contracting Parties would undertake to be guided in their mutual relations by the spirit of mutual confidence and extensive cooperation.

¹ In a letter dated Aug. 15 (3617/801760) acknowledging receipt of the document here printed, Lammers informed Neurath that the Führer and Chancellor had noted its contents with interest.

² See document No. 249, footnote 2.

A second article under which the High Contracting Parties would undertake not to conduct war against one another nor to attack one another by land, sea or air.

A third article, which would forbid intervention, would include:

A first paragraph containing the obligation for each of the High Contracting Parties to respect in every way the sovereignty and authority of the other Contracting Parties over their own territory and not to intervene in the internal affairs of the other Parties in any way.

A second paragraph which would contain in particular the obligation for each of the High Contracting Parties not to tolerate on their own territory or to instigate and foster elsewhere any attempts at intervention, agitation or propaganda, directed against the integrity and independence of any of the other Contracting States, nor any attempt at intervention, agitation or propaganda designed to infringe by force the territorial integrity or to change by force the political or social régime of any one of the contracting countries.

A third paragraph has been proposed which would provide that the clauses of this article should not be interpreted as forbidding the Governments to assert a right which is theirs under international agreements, nor as imposing upon them an obligation to maintain amongst each other diplomatic, economic or other relations which are reserved for their individual discretion by international law.

A fourth article would contain the obligation not to render any assistance to any State violating its undertakings under this Treaty.

A fifth article would provide for the High Contracting Parties to consult together with regard to all circumstances which any one of them might believe to affect the application of the principles of non-aggression and non-intervention laid down in this Treaty.

If one of the High Contracting Parties should believe any action to have been taken in violation of Articles 2 or 3 of the Treaty, such Party will be able to bring the question before the Council of the League of Nations direct, which, should it ascertain that such action has been taken, will immediately inform all High Contracting Parties.

A final article would contain (before the clauses concerning duration and ratification) a provision that the above-mentioned obligations in no way curtail or alter the rights and duties devolving upon each of the High Contracting Parties under the Covenant of the League of Nations or other treaties and agreements previously concluded; each Party would moreover declare that he was bound by no agreements conflicting with the present Treaty.

No. 254

5552/E394685-86

Memorandum by the Director of Department IV

BERLIN, August 7, 1935.

Lieutenant Colonel Bodenschatz¹ has telephoned State Secretary von Bülow on Minister President Göring's instructions and told him that President of the Senate Greiser had informed him that the negotiations with Poland had resulted in agreement on all points but one. The Poles were demanding that the customs dues should be paid in Zloty only. Lieutenant Colonel Bodenschatz requested our views on this question.

On Herr von Bülow's instructions I went to see President Schacht in order to discuss the question with him. President Schacht had already spoken to the President of the Bank of Danzig and President Greiser on the telephone² and had expressed the following views:

1) The Danzig Government would be prepared to concede that the Danzig customs dues should be paid in Zloty as long as the Danzig Gulden is below par on any foreign exchange, including the Polish exchange.

(Here Herr Schacht remarked that this concession could be made, because it was costing the Poles money to keep the Gulden below par. The day before yesterday Poland had depressed the Gulden to 91 points; he could not think that the Poles would go on spending money indefinitely in order to keep the Gulden below par; moreover, Herr Schacht took a very poor view of the future of the Zloty.)

2) Poland had further demanded that the railway and harbour dues too should be paid in Zloty only. Danzig should emphatically challenge this demand on the grounds that the dues and payments involved here arose only within the sovereign territory of Danzig. The Bank of Danzig should, however, declare itself willing to convert the amounts involved into Zloty at par, in so far as they were destined for Poland (this has so far always been the custom); only if the Bank of Danzig should no longer be in a position to effect such conversion at par would Poland be entitled to demand payment of harbour dues and railway charges in Zloty.

Herr Schacht then stated that he had been extremely accommodating with Poland. His desire was to safeguard the Poles against any risk resulting from the disparity of the Gulden. He had been obliged to reject as impracticable Danzig's suggestion that they should agree to the payment of customs dues in Zloty as long as foreign exchange control was in force.

¹ Adjutant to Göring.

² See also document No. 256.

During the course of my conversation with Herr Schacht, Herr Bodenschatz telephoned again and Herr Schacht informed him of his decisions.

I then told Lieutenant Colonel Bodenschatz that I would report on the matter to State Secretary von Bülow immediately and that he would receive a telephone call at once should Herr von Bülow disagree.³

MEYER

³ No record of such a telephone call has been found.

No. 255

8921/E625008-12

Memorandum by an Official of Department IV

BERLIN, August 7, 1935.

e.o. IV Rd. 3456.

1. The Lithuanian Government's campaign against the autonomy laid down in the Memel Statute has led in the last few years to a systematic violation of the basic rights of the Memel population in all spheres of autonomous legislation, administration of justice, and government, by means of legal and administrative measures on the part of Lithuania. Since the constitutionally installed German Landespräsident, Dr. Schreiber, was forcibly deprived of his office on June 28, 1934, by the Lithuanian Governor of the Memel Territory, his Lithuanian successors, appointed in contravention of the Constitution, have in every way supported the Lithuanian contraventions of the law in the Memel Territory. As the Memel Landtag, which consists of twenty-four Germans and five Lithuanians, would never have given these Lithuanian Presidents the vote of confidence expressly required by the Memel Statute, the Landtag was systematically deprived of competence to pass resolutions by withdrawals of mandates and a series of other arbitrary measures, so that its repeated statements of no confidence and protests against the Lithuanian contraventions of the law had no formal legal effect. In May of this year, the three-year period of office of the Landtag expired. Fresh elections were fixed only for September 29 of this year. Meanwhile the unconstitutional Lithuanian Directorate continues in power.

2. In order to justify to the public and the Signatory Powers their action in the Memel Territory, the Lithuanian Government invented the untruthful slogan about the so-called hostility towards the State of the National Socialist Movement in the Memel Territory and, in particular, they asserted without any justification that it was intended to detach the Memel Territory from Lithuania by force of

arms. On the basis of this assertion, which was also designed to serve the purpose of destroying [*dezimieren*] once and for all the group of important spokesmen of the German community in the Memel Territory, 126 leaders and members of the two National Socialist Parties were, in the spring of 1934, accused of high treason. As is known, 81 of them were condemned in the Kovno case in April [*sic*: March] of this year to long terms of forced labour and some to confiscation of property as well.¹

3. In view of these Lithuanian contraventions of the law, the Foreign Ministry have made constant representations to the Governments of the Signatory Powers, Britain, France and Italy, and have requested the restoration of the constitutional principles of autonomy.² In the name of the Memel Territory, the former Vice President of the Memel Landtag, Schulrat Meyer, has communicated to the Governments of the Signatory Powers a series of detailed protests in the course of the past year.³

These representations and complaints have admittedly resulted in the jurists of the Signatory Powers drawing up an opinion favourable to the Memel Territory and in the British Government pressing for an energetic *démarche* to be made with the Lithuanian Government. This initiative on the part of the British Government was, however, sabotaged by the French and particularly the Italian attitude.² It is clear that the influence of Soviet Russia in Paris has of late played its part in this. In view of this lack of unanimity on the part of the Signatory Powers, and in view of the support given by Russia, the Lithuanian Government have so far not found it necessary to repeal a single one of their illegal measures.

The German Government have furthermore imposed a complete embargo on imports from Lithuania and—in agreement with the Memel population and with the leading offices of the NSDAP—from the Memel Territory too; in other respects also German policy towards Lithuania has, in accordance with the Führer and Chancellor's speech of May 21, 1935,⁴ remained entirely negative. The embargo with regard to Lithuania and the Memel Territory will not be relaxed as long as conditions in the Memel Territory have not improved decisively in favour of autonomy and as long as the restoration of constitutional rule has not been assured. As the Memel population, in particular the agrarian population, will be making heavy economic sacrifices while the embargo lasts, since they will have no export markets, care must be taken, when the time comes for the embargo to be relaxed, to compensate them for their losses by buying large quantities of agricultural produce and by adopting as accommodating

¹ See also document No. 13.

² Further details have been filmed on Serial 8921.

³ See document No. 239, footnote 4.

⁴ See Editors' Note, p. 171.

an attitude as possible in the foreign exchange question. Everything possible must also continue to be done to maintain the German credit institutions and to support the German community financially, since it will otherwise find itself in difficulties.

4. If there is freedom of choice, the elections to the Memel Landtag fixed for September 29 will again provide infallible proof that Lithuanian policy in the Memel Territory has only a dwindling minority behind it. Promising preparations are in progress for unanimous action at the elections by the entire German community in the Memel Territory. In order to prevent a German victory in the elections and thus their own defeat, the Lithuanian Government, who have, admittedly, under pressure from the Signatory Powers, decided to refrain from illegally altering the democratic system laid down in the Constitution, are yet making use of their illegally acquired position of power to tamper with the elections in their own favour by means of a series of other inadmissible administrative and legal measures. The Foreign Ministry have made representations, through their Embassies in London, Paris, and Rome,⁵ to the Governments there and have pointed out that the statutory conduct of the elections would only be ensured by meeting a number of indispensable conditions, among them the supervision of the preparation and conduct of the elections on the spot. Schulrat Meyer has communicated a further memorandum⁶ on the same question to the Governments of the Signatory Powers.

5. In view of the present overall political situation, German policy with regard to the Memel Territory in the immediate future must be:

(a) To ensure freedom of choice for the Landtag elections on September 29, thus ensuring an overwhelming German majority in the new Landtag;

(b) To reinstitute a constitutional German Directorate;

Therefore, with regard to (a) and (b), to restore the constitutional basis for an autonomous Legislature and Executive.

V. HALEM⁷

⁵ See document No. 239, footnote 5.

⁶ See document No. 239, footnote 3.

⁷ A minute by Halem, attached to the document here printed, and dated Aug. 9 (8921/E625013), reads: "This memorandum to form the basis for Consul General von Saucken's audience with the Führer and Chancellor at Berchtesgaden on Aug. 12, 1935." No record of this audience has been found, although a covering letter from Meyer to Saucken of Aug. 30 (8921/E625015) indicates that one was made.

No. 256

5552/E394653-54

Memorandum by the Director of Department IV

BERLIN, August 8, 1935.

MESSAGE FROM PRESIDENT SCHÄFER, DANZIG, 11 a.m.

At yesterday's negotiations between Herr Greiser and M. Roman, the Poles suggested that in the communiqué there should be mention of negotiations on the currency question. This was rejected by the Danzig side, which stipulated that in the communiqué there could only be mention of negotiations on economic questions. Thereupon several telephone conversations took place between Herr Greiser and Minister President Göring and between M. Lipski and the Polish gentlemen, as a result of which it was agreed that the currency question should not be mentioned. Poland had demanded that the customs dues should be paid in Zloty. The Danzig Government, on the other hand, wished to propose that the customs dues should only be paid in Zloty as long as foreign exchange control was in force. At the request of Herr Schacht¹ they proposed that payments should be made in Zloty as long as the Zloty [*sic*: Gulden] was below par. This proposal was rejected by Poland on the grounds that it was quite likely that the Gulden might remain at par for a week and might then fall again. Thereupon Danzig returned to her suggestion that payment should be effected in Zloty for as long as Gulden control was in force. According to Herr Helferich and President Schäfer this would not in fact make much difference, since, as is well known, customs dues may be paid either in Gulden or in Zloty, and about 60 per cent of them are already being paid in Zloty. The psychological repercussions would of course be a danger. Danzig had told Poland that she herself could remove the cause of the Gulden being below par by forbidding the circulation of Gulden notes in Poland, in the same way as Reichsmark notes were not allowed to circulate in Switzerland, or if she gave an official quotation for the Gulden in Warsaw. Poland rejected such measures as being in contravention of the present laws.

I told President Schäfer and President Helferich that the word "currency" must on no account appear in the communiqué. I also pointed out that a general settlement must be sought and that, if Danzig were willing to be accommodating, then of course Poland would have to withdraw her coercive measures in respect of the railways.

President Helferich stated that Danzig was in a difficult position because she had received firm instructions from Minister President

¹ See document No. 254.

Göring² to reach a settlement with Poland at all costs, and the Poles knew this. He considered it undesirable that important questions of this kind should have been settled without consulting the Danzig authorities, and over their heads. He would report on this to the competent Ministers in the next few days.³

MEYER

² No record of these instructions has been found in the archives. In a letter to Bülow of Aug. 22 (4620/E200851-52) Radowitz reported a conversation that day with Greiser who, speaking in strict confidence, had said that on Aug. 6 and 7 Minister President Göring had given him very precise instructions by telephone about the further treatment of Danzig-Polish questions, and had ordered him to comply exclusively with his [Göring's] instructions.

³ Helfferich addressed a letter on this subject to the Foreign Minister on Aug. 10 (5552/E394650-52).

No. 257

5552/E394683-84

Memorandum by the Director of Department IV

TELEPHONE MESSAGE FROM DANZIG ON AUGUST 8, 1935—4:20 p.m.

On the invitation of Beck, the Polish Foreign Minister, President of the Senate Greiser went to Gdynia¹ this afternoon, but will be back in Danzig by about seven o'clock in order to continue negotiations with the Polish representatives. The results of the negotiations to date are to be set down in the form of a protocol this evening. The communiqué to the press is to be agreed upon at the same time.

It will be laid down in the protocol that Danzig shall cancel those measures taken on or after August 1 and that the Polish Government shall rescind the decree of July 18. Furthermore, there will be concluded a *pactum de contrahendo* concerning the elimination of the effects of Gulden control on free transit trade and traffic. Both parties are agreed that the presidents of the banks of issue are to consult with one another should it emerge from the further course of negotiations that such consultation is required. Danzig will maintain foreign exchange control for a certain period. Poland declares that she agrees to this and during this period she will not demand either of the Harbour Board or of the railways that the Zloty should be used exclusively or preferentially. Danzig agrees to customs dues being paid in Zloty instead of in Gulden as long as foreign exchange control is in force.²

MEYER

¹ Beck was on his way to pay an official visit to Finland; for his decision to spend one day at Gdynia, see Szembek: *Journal*, p. 111.

² The agreements reached on Aug. 8 consisted of an introductory formula, and (I) Declarations by Danzig and Poland, (II) a Protocol, and (III) Oral Declarations by Danzig and Poland. The texts were telephoned from Danzig at 9:45 a.m. on Aug. 9 (5552/E394666-69) and also forwarded by the Consul General in Danzig under cover of Report IG 1006 of Aug. 10 (9061/E634734-37); see also League of Nations: *Official Journal*, February 1936, pp. 211-212. Reports from the Consulate General in Danzig on subsequent negotiations between Danzig and Poland have been filmed on Serials 9061, 9082 and M229.

No. 258

5552/E394663-65

*Minute by the President of the Danzig Senate*¹

DANZIG, August 8, 1935.

MINUTE BY PRESIDENT OF THE SENATE GREISER ON HIS CONVERSATION WITH THE POLISH FOREIGN MINISTER, BECK, IN GDYNIA ON AUGUST 8, 1935

After the texts of the agreements discussed in yesterday's and today's negotiations had been completed,² I had a private conversation, lasting from 4:45 to 5:30 p.m., this afternoon in Gdynia with Foreign Minister Beck.

Beck again stressed the Polish Government's desire to remain on friendly terms with Danzig, and above all their desire to achieve such understanding of the character and needs of Danzig as might enable Poland to afford effective support and aid. He said that he did not always find this easy, but that the main thing was that the leaders should know what they wanted.

Here I stressed that where there was a will, a way would always be found, and that it had always been my impression that the Polish Government, and especially he himself, had indeed always had this desire to cooperate and to understand Danzig's point of view. If difficulties had arisen from time to time, these had certainly not been due to ill-will among those at the head, but to misunderstandings and petty jealousies, mostly among subordinate bodies.

He then hinted that the differences of the past week had also chiefly been caused by subordinate bodies and that he wished to make it clear that understanding and agreement were still his aim.

I asked him if it would not be possible, should further difficulties and differences of opinion arise, to go to him direct, thus avoiding the many detours which it had so far often been necessary to make.

Beck replied that he would be very pleased if I were to go to him direct over certain difficult questions and problems and that he would be very willing to instruct Minister Papée accordingly.

I then mentioned his visit to Finland³ and he explained to me the reason for this journey and the problem it was designed to solve.

I then spoke of the forthcoming visit by warships of the German navy to Gdynia,⁴ and mentioned that to our joy a German warship was to visit Danzig too.⁵ I suggested to him that the State visit to Dan-

¹ Note on the document here printed: "Telephoned from Danzig at 9:45 a.m. on Aug. 9, 1935."

² See document No. 257 and footnote 2 thereto.

³ See document No. 257, footnote 1.

⁴ The German cruiser *Königsberg* visited Gdynia Aug. 22-25, 1935.

⁵ The German warship *Admiral Scheer* visited Danzig Aug. 30-Sept. 2, 1935.

zig which Poland had long been planning should now take place, and that it would be a particularly happy gesture if he himself could spare a day some time to make an official appearance in Danzig. Such a gesture would, especially in view of the forthcoming visit by the German warships, take the wind out of the sails of those who had already taken the difficulties over Danzig to be the germ of disagreements between Poland and other neighbouring States.

Beck seized upon this proposal and said that it would be one of great interest to him; he would seriously consider whether he might not perhaps come to Danzig after his Finnish journey. He said, in so many words, that he would enjoy upsetting the calculations of those who, the world over, speculated in discord and war.

After a brief conversation on general matters, Ministers Roman and Papée were invited to join us. We then spoke of the protocol and statements which had been initialled today, whereupon I took my leave in a most cordial atmosphere.

GREISER

No. 259

6695/H103895-97

Ministerialdirektor Meyer to Ambassador Hoesch

BERLIN, August 9, 1935.
e.o. IV Ru. 3187.

DEAR HOESCH: Further to the despatch about the Eastern Pact sent to you today,¹ informing you that there are to be no further discussions before October, I should like to ask you one or two questions about the importance of the Eastern Pact for German-British relations.

I need not tell you that the Eastern Pact can bring no advantages, but only undesirable commitments, for Germany. Now it is often said that the conclusion of an Air Pact with Britain would be the turning-point² in Britain's policy towards Germany. Since, owing to the opposition put up by France, an Air Pact cannot be achieved without an Eastern Pact, Germany, it is said, would have to make this concession in order not to antagonize Britain for a long time to come. In some quarters it is even thought that Britain's interest in the Air Pact is so great that she would ultimately even be prepared to take part in an Eastern Pact.

Britain's interest in an Air Pact is undoubtedly very great. After several attempts to get France to abandon her opposition, Britain has reconciled herself to France's refusal to conclude an Air Pact unless an Eastern Pact were concluded beforehand, and has now chosen the

¹ See document No. 252, footnote 5.

² In English in the original.

easier path of exerting pressure on Germany and holding her responsible for the alleged failure to achieve a *détente*. I certainly do not deny that the conclusion of an Air Pact would very greatly improve our relations with Britain. How strong and how lasting its effect would be is, however, problematical; for we have seen, in the case of the Naval Agreement,³ which was more calculated than any other treaty to improve relations, how its political effect wore off in a very short space of time as a result of other circumstances. The same thing might happen with the Air Pact. Nor can I believe that Britain's interest in the conclusion of an Air Pact is so great that she would on that account accept commitments under an Eastern Pact. That is my purely private and personal opinion and I beg you not to be influenced by it in any way. In my opinion the question should be thought out from every angle; one should be very chary of vague ideas about improving the atmosphere, and of advocating the assumption of actual obligations, entailing considerable risks, to that end. I should therefore be most grateful to you if you would let me know your views on the following points:

1. Does the creation of a friendly relationship with Britain depend on the conclusion of an Air Pact?

2. Are the advantages of such a Pact so great, and do they promise to be so lasting, that they justify Germany's making the sacrifices involved in an Eastern Pact of the kind communicated in draft to Sir John Simon?⁴

3. Is Britain's interest in an Air Pact so great that she would be prepared on that account to take part in an Eastern Pact?

4. What, in your opinion, would an Eastern Pact as envisaged above involve for Germany?⁵

MEYER

³ Document No. 156.

⁴ See vol. III of this Series, document No. 564, enclosure.

⁵ Marginal note: "Approved by the St[ate] S[ecretary]. M[eyer], Aug. 9."

No. 260

4620/E200675-79

State Secretary Bülow to Ambassador Köster

BERLIN, August 10, 1935.

DEAR KÖSTER: Many thanks for your letter of August 1,¹ which we found extremely interesting. The Führer and Chancellor has not yet decided upon the way in which this question of the Eastern Pact

¹ Not printed (4620/E200666-74). In this letter Köster, replying to document No. 235, again explained the line he had taken in his conversations with Léger and Laval (see documents Nos. 220 and 231), and added that he feared a political vacation would be unacceptable in Paris.

should in future be handled. It is also too intricate to be solved during the holiday period. This you will already have gathered from the instructions to delay contained in despatch IV Ru. 3190 of August 9.² The latest British *démarche* (IV Ru. 3109 of August 6)³ will, like Hoare's speech, be left unanswered for the present. We cannot enter into technical discussions with either the French or the British until a final directive has been obtained from the Führer and Chancellor, since otherwise we might very easily commit ourselves to the wrong course. For this reason I told François-Poncet² yesterday that there would be a pause in the negotiations until the beginning of October; he said he could well understand this.

It is, however, extremely awkward, both for our present deliberations and for our forthcoming report to the Führer and Chancellor, that on one important point we still do not know what the French really want. Nor was this point cleared up in your discussion with Léger (your telegram No. 810).⁴ This point is as follows:

In their Memorandum of June 3, 1935,⁵ the French Government, referring to the treaty outline which we gave Simon and Eden during their Berlin visit,⁶ informed us that they fully appreciated the ideas contained in this outline and considered them to be a suitable basis for negotiation. The only reservation they made was the clarification of certain details which, according to the text of the French Memorandum, have nothing to do with the point with which I am now concerned. The assumption was, therefore, that the French Government's Memorandum was solely intended to set in motion negotiations about the Eastern Pact *on the basis indicated by us*—i.e., on the basis of the four principles of renunciation of aggression, arbitration, consultation and non-support for the aggressor.

In effect only one question thus remained open, namely the question of which States should participate in such a Pact. On the other hand, according to our draft it was out of the question—or at any rate it would have to be regarded as a completely new element not proposed by us—for a State to participate in the Pact not as an ordinary Signatory Power but in the rôle of guarantor. As we know, the idea of assigning the rôle of guarantor to France was contained in the Litvinov-Barthou project put forward last summer,⁷ but was from the start categorically rejected by us in connection with the idea of *assistance mutuelle*. It is therefore impossible to see how the French could, on the one hand, accept our draft in their Memorandum of June 3, and yet, on the other hand, should now, as it seems, be pro-

² See document No. 252, footnote 5.

³ See document No. 248 and footnote 12 thereto.

⁴ Document No. 220.

⁵ See document No. 127.

⁶ See vol. III of this Series, document No. 564, enclosure.

⁷ See vol. II of this Series, document No. 504, and vol. III, *passim*.

ceeding from the assumption that they themselves would have to guarantee the Eastern Pact. It is surely clear that such a guarantee would mean that France would have to lend *assistance* against any Signatory Power who violated the Pact. If the French have such a possibility in mind, they should surely have said so in their Memorandum of June 3, though they would of course have known from the start that we would continue to reject any agreement on such *assistance*.

In these circumstances I simply cannot understand Léger saying, in his discussions with you, that "France could and would only do one thing, namely guarantee that the formula of obligations agreed between the Powers interested in the Eastern Pact was not violated". Such a guarantee, as I have said, could only mean that France would render military *assistance* against the violator of the treaty. If Léger did not intend what he said to imply *assistance* but was merely thinking of the possibility of France's taking part in the Pact in the same manner as the other Signatory Powers, then, as we have already discussed at length, there would of course be the question of the other European Great Powers (Britain and Italy) logically having to take part too. (The matter is further complicated by the fact that Léger told you that "France would in no circumstances undertake a guarantee *vis-à-vis* the Baltic States"—so if there is to be a guarantee after all, what is to be guaranteed?)

The question which we are, therefore, asking ourselves here, and which has so far remained completely unanswered, is this: What do the French really want? Do they want a pact to be concluded, on the four principles proposed by us, between the six States (Germany, Russia, Poland and three Baltic States) and France to guarantee this pact by promising *assistance*, or does France want to sign the Pact as an ordinary co-signatory, or, finally, does France not want to take part herself in the treaty at all, either directly or in any other way?

As I said in the beginning, a further formal approach to the Quai d'Orsay with a view to clarifying this question is not at present expedient. On the other hand, I imagine that you might manage, whilst discussing some other matter with Léger, to tell him, in passing and purely personally, something to the effect that on thinking over your previous discussion you had come to the conclusion that you were still completely in the dark as to what the real intentions of the French Government were.

If it should prove possible to make personal enquiry of Léger in this manner, you should report his reply as soon as possible.⁸

Yours, etc.,

B[ülow]

⁸ See also document No. 287, footnote 6, and document No. 289.

No. 261

8015/E576137-38

*State Secretary Bülow to State Secretary Funk (Ministry for
Propaganda)*

CONFIDENTIAL

BERLIN, August 10, 1935.

III O 3554.

DEAR HERR FUNK: The Italian Embassy is constantly complaining here about German supplies to Abyssinia, although these are actually only to begin now.¹ The Ethiopian Government, too, have protested to us² on the grounds that, according to press reports, German ships are being bought by Italy for the purpose of transporting troops to East Africa. A number of German newspapers have, in fact, published reports that German shipping companies are negotiating with an Italian line for the sale of a few steamships. Moreover, there appeared in the *Nachtausgabe* of August 7 a report, a cutting of which is attached,³ about the supply of German wooden huts for Mussolini's East Africa troops.

Since we wish to remain neutral in our conduct in the Italo-Ethiopian conflict, publication in the press of news about supplies being provided to either of the parties is in itself politically inexpedient and should, in my opinion, be forbidden. Public announcement of such purchases, which might be interpreted as showing favour to one side, is positively dangerous for the safety of the German colony in Abyssinia. I should therefore be very much obliged if you could cause our press to refrain in future from publishing anything which could be interpreted as a departure from complete neutrality.⁴

Yours, etc.,

BÜLOW

¹ No information on this transaction has been found in the files.

² The Note from the Abyssinian Consulate General of Aug. 6 is not printed (8015/E576140). A minute on this subject, dated Aug. 26 (8015/E576139), states that according to available information only two steamships had in fact been sold to a private Italian line.

³ Not found with the document here printed.

⁴ Replying on Aug. 13 (8034/E577850-54) the Propaganda Ministry informed Bülow that appropriate instructions had been given at a press conference on Aug. 10 and the provincial press also informed accordingly, and added that the German press had already been repeatedly warned against publishing anything which might appear to represent a departure from complete neutrality.

No. 262

6695/H103925-32

Ambassador Hoesch to Ministerialdirektor Meyer

LONDON, August 15, 1935.

IV Ru. 3308.

DEAR MEYER: I am replying to the questions in your personal letter¹ by the first available courier.

¹ Document No. 259.

(1) Does the creation of a friendly relationship with Britain depend on the conclusion of an Air Pact?

As you will no doubt be aware, I have pointed out on various occasions in my reports that the framework for the encirclement of Germany has been almost completed and that it depends on Britain alone whether the complete encirclement of Germany is achieved or not. If Britain joins the ring of encircling States, then the encircling structure will be complete; *without* Britain, however, there can be no encirclement of Germany. From this it follows that good relations with Britain are more than ever of decisive importance for Germany. This premiss justifies the conclusion that every sacrifice which it is useful or possible to make must be made in order to bring about a lasting relationship of trust between ourselves and Britain.

The British Government's decision as to their future attitude to Germany depends, as I have also already emphasized, on whether the British Government can be caused to continue in the belief that Germany's aims are peaceful and that she is therefore prepared to take part in measures designed to secure world peace, or whether they become convinced that Germany is refusing to cooperate in organizing peace so as to keep her hands free to act independently in future at a suitable moment.

The Air Pact, the Eastern Pact, the Danubian agreement and our return to the League of Nations are, in British eyes, factors in this problem of securing world peace. In accordance with Germany's wishes, and also in accordance with Britain's interests at present, Sir Samuel Hoare tackled the Air Pact first, and in so doing came up against the familiar, and, it seems, truly insuperable resistance in Paris, which in its turn had been strengthened by the conclusion of the Anglo-German Naval Agreement and by the latent conflict between the British and French views on the Abyssinian question. Hence the pressure exerted by Britain on Germany over the problem of the Eastern Pact, the conclusion of which France wishes to link with the conclusion of the Air Pact.

After these explanatory remarks, I would answer your question (1) by saying that the creation of friendly relations with Britain depends not so much on the Air Pact, great though the importance of this particular problem is, as on what impression we make on Britain, by means of our views on the *whole* bouquet of measures to ensure peace which I have mentioned, about our attitude to the question of collective security, and, hence, about our love of peace. The dilatory attitude which we are at present adopting in all these matters can, of course, only be maintained for a limited period, and I find it understandable in view of the instability of the overall situation resulting from the Abyssinian problem. But the moment will soon come when our dilatory tactics must be replaced by a clear statement of our

views. The Reich Government will accordingly have to consider the question of how to formulate their views, bearing in mind the fact that a completely negative attitude on all points—apart from the Air Pact—might entail the grave risk of a change of British policy to our disadvantage.

(2) Are the advantages of such an Air Pact so great, and do they promise to be so lasting, that they justify Germany's making the sacrifices involved in an Eastern Pact of the kind communicated in draft to Sir John Simon?²

In your letter you speak with a hint of disappointment of the short-lived political effect of the Anglo-German Naval Agreement in Britain. Such disappointment, which I have frequently encountered in utterances by Germans, is due to a faulty political evaluation of the fact of the Naval Agreement. The British Government's decision to conclude the Naval Agreement was based upon purely opportunist considerations, approximately as follows: "Last year Eden brought back from Berlin³ the German demand for a Wehrmacht of 300,000 men, military armament with *defensive* weapons, and air armament with combat aircraft, but with bombers provisionally banned for a two-year period; agreement on this basis was prevented by the familiar French Note of April 17, 1934;⁴ one year later, Germany demanded 550,000 men and unlimited armaments both on land and in the air and eventually turned this, unopposed, into established fact;⁵ in 1935 Germany is demanding 35 per cent of the British naval strength;⁶ if we give way once again to French protests, Germany will come back next year with a demand for 60 per cent, and once again there will be no means of preventing such naval rearmament; therefore, this time, we must take no notice of the French outcry, which is as stupid as it is ineffectual, but will have to come to an agreement with Germany." This train of thought contains not the slightest intention of changing Britain's general political orientation, nor has there either in thought or in deed been any such change. The Naval Agreement has, of course, considerably altered Anglo-German relations *de facto* and must continue to affect them, on an *ad hoc* basis, since the adoption of the ratio of 35:100 inevitably obliges the two parties to consult together, case by case.

These prefatory remarks are necessary in order to enable me to answer question (2) as follows:

The Air Pact would, in the first place, remove a large element of uncertainty and fear among the broad masses of the people, and it

² See vol. III of this Series, document No. 564, enclosure.

³ Eden was in Berlin Feb. 19-23, 1934; see vol. II of this Series, documents Nos. 270, 271, 273 and 276.

⁴ See document No. 61, footnote 22.

⁵ See vol. III of this Series, documents Nos. 532 and 538.

⁶ See document No. 156.

would also furnish conclusive proof of Germany's love of peace; it would also doubtless make a substantial contribution to strengthening, to our advantage, Britain's resistance to the encircling proclivities obtaining in the rest of Europe. In addition it would, particularly if it included limitation, provide a further compulsion, not, admittedly, as in the Naval Agreement, to bilateral understandings, but nevertheless to multilateral understandings, case by case, and, within this framework, Germany and Britain could assume a leading rôle. A basic change in Britain's political orientation, i.e., a lasting estrangement from France and *rapprochement* with us, would, however, not result from the Air Pact.

(3) Is Britain's interest in an Air Pact so great that she would be prepared on that account to take part in an Eastern Pact?

So far I have no reason to believe that Britain would be prepared to change her basic principle of not undertaking any further commitments on the Continent. Nor can I really believe that, just now, when the isolationists are daily preaching "hands off" in the Abyssinian question, and the League of Nations enthusiasts are only timidly calling for action by Britain against Italy, if they dare to do so at all, a new Foreign Secretary such as Sir Samuel Hoare could bring himself to involve Britain in fresh commitments over Eastern Europe.

(4) What, in your opinion, would an Eastern Pact as envisaged above involve for Germany?

If I understand Germany's policy aright, I do not think that our participation in an Eastern Pact based on the three themes of "non-aggression, consultation and non-support of an aggressor" would, as such, be detrimental to our interests. My constant opposition to the Eastern Pact is based not so much on objections to the terms of the treaty, which have now been limited in accordance with our wishes, as on a disinclination to set the seal of our approval, obeying the command of others like silly sheep, on the anti-German alliances concluded between the French, the Russians and the Czechs. The original Eastern Pact plan evolved by Litvinov and Barthou was, as is well known, nothing but an attempt to conclude the Franco-Russian alliance desired by them in such a form that, apart from Germany, nobody would really notice what was going on. That is why they wanted Germany to participate in the then Eastern Pact project, hoping thus to conceal the purpose of the whole infamous scheme, particularly from Britain, and in addition to adorn the alliance with the blessing of the League of Nations. After our refusal, the Russians and the French—Laval much against his will—were compelled to conclude the alliance openly, though even then they covered it up as far as possible with a screen of perfidious camouflage. What is being asked of us now is none other than that, by taking part in the limited Eastern Pact, we should *retrospectively*

crown that very edifice of alliances, in the original construction of which we had previously refused to participate. The idea of a Great Power like Germany being expected to play the simpleton in this way disgusts me.

I would thus sum up my reply to question (4) by saying that, though I do not see in the Eastern Pact, in the form at present under discussion, any further real harm to German interests, which have already been harmed by the Russian alliances, I am opposed, on grounds of political ethics and on grounds of self-respect, to meeting the wishes of those who desire the Eastern Pact.

Having thus replied to your questions, I should like to add the following remark, which I have also made in a previous despatch: It would be a mistake to assume that, because Britain is at the moment remaining silent about Germany's return to Geneva, she has lost interest in this question. If she is saying nothing about it just now, this is merely due to the fact that the present moment, when membership of the League of Nations is anything but a pleasure and when the whole future of the League is in question, is naturally not an appropriate one in which to try to induce Germany to return to the League. Should the League of Nations survive the Abyssinian crisis, or, in the event of a peaceful settlement by means of adroit tricks of interpretation, should it even increase its prestige, then the demand here for Germany's return will surely revive and probably overshadow all other British demands on Germany. This is of course at the moment a purely theoretical glimpse into the future, which does not at present require us to adopt any attitude.

With best regards and Heil Hitler!

I remain, my dear Meyer,

Yours, etc.,

Hoesch

No. 263

3088/625852-53

Foreign Minister Neurath to State Secretary Bülow

At LEINFELDEN, August 16, 1935.

DEAR BÜLOW: In the course of the attempts made by the British to dissuade Mussolini from military designs which are in all respects inconvenient to themselves, the idea of using the Portuguese colonies as a compensation has latterly again been attracting attention. Although I consider that we must continue to treat this colonial question with reserve, nevertheless, once discussion of this problem has again to some extent revived, I feel it would be useful to point out in London that we have colonial desiderata in respect of removing the injustices of the Treaty of Versailles. As you are aware, we did indeed raise this subject during the Simon-Eden visit.¹ Furthermore, Rib-

¹ On Mar. 24-26, 1935; see vol. III of this Series, documents Nos. 555 and 564.

bentrop has discussed the question with his English friends. In any case we might perhaps convey through the Embassy, and with reference to the comment appearing in the press about the possibility of making future use of the Portuguese colonies, that we feel a certain degree of disquiet. At the same time it might be possible to mention that the pre-war treaties about Portugal's colonial possessions² are no longer legally in force but that nevertheless we Germans have always continued to hope that a fresh discussion of the subject matter of these treaties might afford an opportunity of easing the harshness of the Treaty of Versailles in respect of colonies.

I do not, indeed, believe that Mussolini will allow himself to be diverted from his eagerness for conquests in Abyssinia by the offer of a portion of Portugal's colonies. But if the British themselves bring up the subject of a partition of Portugal's colonial possessions, then they certainly ought to be reminded that this question is one of major concern to us.³

With cordial greetings,

Yours,

FREIHERR VON NEURATH

² Presumably a reference to the Anglo-German Conventions of Aug. 30, 1898, and Oct. 20, 1913, for which see Gooch and Temperley: *British Documents on the Origins of the War 1898-1914*, vol. I (London 1927), Nos. 90-92 and vol. X, Pt. II (London, 1938), No. 341, and *ibid.*, Editors' Note, p. 544. See also *ibid.*, vol. X, Pt. II, chap. xcv, for the revised agreement initialled on Oct. 20, 1913, and relevant negotiations.

³ No further documents on this subject have been found; see also document No. 47, footnote 4.

No. 264

5649/H003444-46

The State Secretary to the Embassy in the United States

Telegram

No. 111

BERLIN, August 17, 1935.
e.o. III A 2326.

With reference to our telegram No. 104.¹

I. It has now been decided that Ministerialdirektor Ritter will go to Washington in September.

II. As regards the form this visit is to take, an announcement to the Government at your end that he is an official negotiator is out of the question for reasons discussed with the Ambassador.² Another possibility would be for Ritter not to be announced at all in advance but to be brought into social contact with official quarters over there only after his arrival. A third possibility would be for the Government at your end to be informed orally in advance, with reference to the Note

¹ Not found. According to the register this telegram instructed the Embassy in Washington to acknowledge the receipt of the American Notes of June 28 (see footnote 3 below).

² Luther went on leave on June 29 and took up his duties again on Aug. 9. No record of his discussions in Berlin has been found, but see footnote 5 below.

communicated in accordance with telegram No. 104, that the German Government, on studying the Note on commercial policy of June 28,³ have formed the opinion that to continue to deal with the matter in writing, by exchanging Notes, offers little prospect of discovering what chances there might still be of coming to an understanding on commercial relations after October 13.⁴ An unofficial, exploratory conversation seems to the German Government to offer better prospects of this. They are therefore prepared to entrust the conduct of such unofficial, exploratory conversations to an official who had in any case intended to make a private fact-finding tour of the United States at about this time. In accordance with the private character which the visit was originally intended to have, the press would be kept out of it.

On reconsidering the matter, we think that this third method would be the most suitable, if only for the reason, among others, that the American government departments concerned would otherwise find themselves, as regards time, in an awkward position owing to lack of preparation for an exploratory conversation of this kind. We leave it to the Embassy to decide whether the second or the third method is chosen. But, should the third method be preferred, we naturally would not wish to run the risk of the Government at your end declining for reasons of internal policy and the visit then having to be cancelled.

III. Ritter could arrive either on September 16 on the *Bremen* or on September 26 on the *Europa*. Please inform us by telegram which date the Embassy prefers.⁵

BÜLOW

³ For the text see *Foreign Relations of the United States, 1935*, vol. II, pp. 452-456. For the text of the second American Note of June 28 see *ibid.*, pp. 432-437.

⁴ Notice of the termination of the German-American Treaty of Friendship, Commerce and Consular Rights, signed on Dec. 8, 1923, ratifications exchanged on Oct. 14, 1925 (see *Foreign Relations of the United States, 1923*, pp. 29-45), had been given by Germany on Oct. 13, 1934 (see *ibid.*, 1934, vol. II, p. 453) so that the Treaty was due to expire on Oct. 14, 1935. It was however agreed in subsequent negotiations that the other provisions of the Treaty would continue in effect but that the most favoured nation provisions would lapse on Oct. 14, 1935 (see *ibid.*, 1935, vol. II, pp. 451-452).

⁵ In telegram No. 174 of Aug. 22 (5649/H003442) Luther recommended that Ritter should arrive on the *Bremen*, and stated that he still advocated the second of the three methods.

No. 265

2784/540410-12

Memorandum by the State Secretary

BERLIN, August 19, 1935.

[e.o. IV Ru. 3326.]¹

The new Italian Ambassador² paid me his first call today. He made no mention whatsoever of the question of the presenta-

¹ Taken from another copy (6695/H103894-46).

² Bernardo Attolico, previously Italian Ambassador in Moscow.

tion of his credentials or his alleged desire to attend the Party Rally.³

After the first exchange of courtesies, Attolico told me that he was in effect a specialist on the Eastern Pact and had followed its development with special interest. He was known to be an opponent of the Eastern Pact and had also always tried to turn his Government against it. Nor had he concealed his attitude from Lord Privy Seal Eden during the latter's visit to Moscow.⁴ His main arguments against the Eastern Pact arose from the fact that the Franco-Russian Alliance was directed exclusively against Germany, and from the guarantee concept, which was not reconcilable with a treaty system which must be built upon reciprocal treaties. After lengthy and somewhat prolix statements on the Eastern Pact, the Ambassador complained about the isolation of his Embassy. He had learnt at the regatta yesterday that no member of his staff knew Reich Minister Frick.⁵ Moreover he had been instructed to find out if critical German articles on Abyssinia had appeared during the last ten years, and his staff had told him that it was impossible to carry out this commission and still more so to execute another task, namely that of launching Italian views on the conflict with Abyssinia in the German press. All this was most regrettable, as his first task was to improve the atmosphere between Rome and Berlin. This presupposed in the first place a certain personal contact with influential people in Berlin, and then also the possibility of occasionally drawing attention in his reports to sympathetic German press comment, etc.

I told the Ambassador that he had obviously been misinformed by his staff. If none of them knew Reich Minister Frick personally this was because, on the one hand, the Embassy frequently changed its personnel and, on the other, because Reich Minister Frick comparatively rarely met the Diplomatic Corps socially. As far as the requests which he had cited as examples were concerned, I knew that his Press Attaché, Signor Antinori, called on Herr Aschmann frequently, and he [Aschmann] would certainly be able to help him to find in the archives of some newspaper or other the information which he required about press views on Abyssinia. Influencing the press in favour of Italy was, however, quite a different matter. We did not wish to have anything whatsoever to do with the Italo-Abyssinian

³ No previous references to a desire on Attolico's part to present his credentials to Hitler as soon as possible and to attend the Party Rally at Nuremberg have been found. In a memorandum of Aug. 29 (2784/540416) Bülow recorded a conversation with Attolico, who stated that he had been pleased to learn of the possibility of Hitler's receiving him before the Party Rally, but that he must await an invitation from Hitler to attend the Party Rally since not he, but his *Chargé d'Affaires*, had received the official invitation. In a memorandum of Aug. 31 (2784/540419) Bülow recorded that he had been informed by the Presidential Chancellery that Hitler would receive Attolico on Sept. 8 (see also document No. 298, footnote 1).

⁴ See document No. 17, footnote 2.

⁵ Wilhelm Frick, Reich Minister of the Interior

conflict.⁶ Italy would have to be satisfied with the fact that we have prevented the export of war material to Abyssinia and recruitment for Abyssinia; there could be no question of a pro-Italian attitude by the press, if only because we would thereby be endangering the lives and existence of the German community in Abyssinia. Even the news that we had sold troopships to Italy⁷ had caused considerable disquiet in Addis Ababa.

The Ambassador said that he had not the slightest intention of causing us any difficulties whatsoever. He was merely searching for means of improving the atmosphere and did not want to do anything surreptitiously. He wanted to discuss whatever he might do with the Government and to act only through them or with their consent. Apart from this he expressed himself in favour of active contact with all authorities, and was looking forward to meeting once again his friends from Geneva, especially Herr Gaus, Herr Aschmann and Herr von Dufour.⁸

BÜLOW

⁶ Marginal notes against this sentence: (1) in Neurath's handwriting: "Correct". (2) "Has been submitted to the St[ate] S[ecretary], B[argen], Aug. 22."

⁷ See document No. 261 and footnote 2 thereto.

⁸ Marginal note on the copy cited in footnote 1 above: "N.B. The State Secretary was yesterday given our Eastern Pact memorandum of September 8 [1934: see vol. III of this Series, document No. 200] in German and in French, which he wished to give to Ambassador Attolico. v. T[ippelskirch], Aug. 20."

No. 266

8788/E612373-75

Memorandum by the Deputy Head of Referat Deutschland¹

BERLIN, August 19, 1935.

83-20, 19/8² I.

Since the Jewish problem became acute, the Foreign Ministry has taken the view that measures necessitated by internal policy in this question should not be postponed or modified on account of pressure from abroad. Whether the disadvantages to foreign policy of measures against Jewry do not so greatly outweigh their success in domestic politics as to make them of doubtful expediency, is, however, another question.

1. *Economic Disadvantages*

The disadvantages to foreign policy in the economic sphere entailed

¹ This memorandum was drawn up in preparation for the inter-departmental conference to be held on Aug. 20 (see document No. 268), which had been convened by Schacht by circular letter of Aug. 13 (8788/E612366-67), on the effects of the recent revival of the campaign against the Jews. A further circular letter by Schacht of Aug. 15 (8788/E612368-69) stated that, as a result of a Cabinet decision, the conference should be one of Heads of Departments.

² This should read 83-21, 19/8.

by Germany's policy towards the Jews are well known (appreciation by the Economic Department).³ Referat D suggests, however, that it should in the first place be left to the Reich Ministry of Economics to describe the detrimental effects in the economic sphere, since, as experience has shown, the home departments like to leave the Foreign Ministry to bear the brunt in such discussions.

2. *Political Disadvantages*

In various countries and in various spheres German foreign policy has had to work under a more or less serious handicap caused by Germany's policy towards the Jews.

a) The dominant influence of Jewry on the international press has paved the way for the anti-German trend in public opinion. This influence has been especially strong in America, Britain, the Netherlands and Czechoslovakia.

b) The direct influence of Jewry on foreign Governments is manifest particularly in America and Britain. Striking examples in America are: Authorization by the American Senate of the Dickstein Committee to investigate Nazi propaganda,⁴ as well as the latest La-Guardia incident.⁵ The dependence of American government agencies on Jewish capital and the Jewish press (election campaign) is obvious.

The often negative reaction of British public opinion, to the Anglo-German Naval Agreement,⁶ for example, seems to be due not least to the preponderant Jewish influence in the City. Numerous questions by English, including non-Jewish, Members of Parliament (Lords and Commons) regarding the fate of German Jews in concentration camps, etc., demonstrate the links between British politicians and Jewry. German-British cooperation will undoubtedly be rendered more difficult by severe measures against the Jews in Germany, and it would be facilitated by a less obtrusive attitude towards the Jewish question on the part of the German Government. In Switzerland and the Netherlands the influence of international Jewry is less recognizable, but its harmful effect on Germany's relations with these countries will be none the less serious. As far as France and Italy are concerned, Germany's policy towards the Jews does not play such a big rôle. On the other hand the influence of international Jewry, disunited as it is, should not be over-estimated. In Poland, for instance, the Government have recently dissolved the Jewish boycott organ-

³ A separate memorandum by Ritter of Aug. 20 (8788/E612382-85) dealt with the economic aspect.

⁴ The reference is to the Special Committee on Investigation of National Socialist propaganda activities in the United States, of which Representative Samuel Dickstein (Democrat, New York) was vice chairman (see also vol. II of this Series, documents Nos. 337, 347 and 356).

⁵ See document No. 237, footnote 2.

⁶ Document No. 156.

izations.⁷ In Egypt the outcome of the Jewish trial in Cairo⁸ has weakened Jewish influence. Moreover opinion on the part played by Jewish boycott propaganda in the decline in German exports is divided.

The question of whether the international political (not the economic) situation makes it desirable to revise Germany's policy towards the Jews should, in the opinion of Referat D, and in view of the Foreign Minister's letter, 83-63, 17/10 of October 30, 1934 (attached),⁹ be answered in the negative. On the other hand, whilst fully maintaining the NSDAP's Jewish programme, it is in the interests of foreign policy that unobtrusive methods of implementing it should be chosen, such as will provide no material for anti-German agitation abroad.

Respectfully submitted herewith to the State Secretary.

RÖHRECKE

⁷ The central boycott organization was closed by the Polish police on June 20.

⁸ The reference is to the judgement of the *Cour d'Appel Mixte d'Alexandrie* of Apr. 25, 1935, on the appeal of Signor U. Jabès against the verdict of the *1ère Chambre Civile du Tribunal Mixte du Caire* of Jan. 24, 1934. Jabès had claimed damages from the German Club at Cairo arising from a brochure published by the Club and entitled "*Zur Judenfrage in Deutschland* [Concerning the Jewish Question in Germany]".

⁹ Not printed (8790/E612490-92); see vol. III of this Series, document No. 467 and footnote 2 thereto.

No. 267

9722/E683620-21

The State Secretary to the Legation in Hungary

Telegram

No. 56

[BERLIN,] August 20, 1935.

Received August 21.

With reference to your report A 137 P 24 of July 27.¹

A discussion in Budapest between the experts on both sides will be useful only if the following points are clarified in advance:

(1) The discussion is merely to be in the nature of a non-binding consultation between the two experts. In conformity with the Hungarian view, the German expert will not be authorized to conclude agreements.

(2) The discussion must cover, as an important and integral item, the situation of the German community in Hungary, which is of special interest to us. The Hungarian Memorandum¹ places the emphasis on the coordination of policy between the German and Hungarian minorities in the Successor States, which is of minor interest to us, and passes over completely the situation of the German community in Hungary.

¹ Document No. 233.

(3) The preliminary conversations must be strictly confidential. Publicity with regard to further negotiations must be subject to subsequent agreement between the two Governments. If our wishes are met, Rödiger's visit could still take place this month.

BÜLOW

No. 268

8788/E612387-92

Memorandum by the Deputy Head of Referat Deutschland

SECRET

BERLIN, August 21, 1935.

83-21, 21/8.

MEMORANDUM ON THE CONFERENCE OF HEADS OF DEPARTMENTS IN THE REICH MINISTRY OF ECONOMICS ON AUGUST 20, 1935, CONCERNING THE REPERCUSSIONS ON THE ECONOMIC SITUATION OF GERMANY'S POLICY TOWARDS THE JEWS

At the conference of the Heads of Departments on August 20, convened by the Reich Ministry of Economics,¹ Reichsbank President Dr. Schacht began by describing with various examples the serious effects on the economic situation of Germany's policy towards the Jews. His observations culminated in the statement that, in view of the increasingly radical trend in policy towards the Jews, he was bound seriously to doubt his ability to fulfil the economic tasks which the Führer had set him of providing employment and building up the Wehrmacht (obtaining raw materials from abroad). Schacht refused to be branded as in any way pro-Jewish.² It was merely that he was obliged to point out the consequences for his department of irresponsible Jew-baiting. Schacht criticized with particular severity individual actions of certain Party authorities, the Labour Front, the NS-Hago,³ and also the activities of Gauleiter Streicher.⁴

Reich Minister of the Interior Frick said he agreed in principle with Herr Schacht's criticism, and read out an order to the *Land* Governments⁵ which demanded in trenchant terms ruthless intervention by the police in any illegal actions undertaken by individuals against the Jews. Frick added in explanation that the police would refrain from any intervention whatsoever in the event of anti-Semitic actions carried out independently by Party organizations. In such cases, however, full responsibility would lie with the Party.

¹ See document No. 266, footnote 1.

² In a speech on the occasion of the opening of the East German Fair at Königsberg on Aug. 18, 1935, Schacht had surveyed the economic situation and expressed his disapproval of recent anti-Jewish and anti-Church activities. For the text see *Rede des Reichsbankpräsidenten und beauftragten Reichswirtschaftsministers Dr. Hjalmar Schacht auf der Deutschen Ostmesse* (Berlin, Druckerei der Reichsbank, 1935).

³ *Nationalsozialistische Handwerks-, Handels- und Gewerbeorganisation* [National Socialist Crafts, Business and Trade Organization].

⁴ Julius Streicher, Gauleiter of Middle Franconia.

⁵ Not printed (8788/E612400).

State Minister Wagner,⁶ as representative of the Party, stated that the Party too disapproved of individual action. None the less the State must take anti-Semitic public feeling into account and pursue the exclusion of the Jews from economic life by legal, if gradual, measures. This would quell the prevailing popular unrest. He suggested the following preliminary legal measures

1. Legal exclusion of the Jews—as is *de facto* already the case—when placing public contracts.

2. Prohibiting the establishment of new Jewish businesses.

Reichsbank President Schacht said he agreed in principle with these measures.

After the Heads of various Departments (Reich Minister Count Schwerin von Krosigk,⁷ State Minister Popitz,⁸ Reich Minister of Justice Gürtner, General von Reichenau,⁹ etc.) had expressed their opinions on questions of detail, State Secretary von Bülow pointed out the importance of the Jewish question in foreign policy. The repercussions of excesses against the Jews on the part of irresponsible bodies represented a considerable strain on our foreign policy. In view of the forthcoming Olympic Games, whose international importance could not be over-estimated, and bearing in mind the influx of foreigners which was to be expected, measures would have to be taken to make impossible a recurrence of such incidents as those on the Kurfürstendamm.¹⁰ Whether, however, as had been suggested, the publication of the Reich Minister of the Interior's order was the right way of doing this must be considered doubtful from the point of view of foreign policy. One consequence of the publication of the order would presumably be that international Jewry would construe it as a success achieved by the boycott. Moreover, this would amount to an admission of the incidents on the Kurfürstendamm, the full extent of which had hitherto been disputed.

State Secretary von Bülow remarked, in respect of State Minister Wagner's proposals for taking legal steps to exclude Jewry from economic life, that this measure could not be carried out without paying special attention to foreign countries (foreign businessmen in Germany). At all events it was necessary first to consider carefully whether the advantages of such a measure from the domestic aspect were not cancelled out by its disadvantages for foreign policy.

No resolution was passed. The Reich Ministry of Economics, in agreement with the Party, will make preparations for the suggested

⁶ Adolf Wagner, Bavarian Minister of the Interior.

⁷ Reich Finance Minister.

⁸ Prussian Finance Minister.

⁹ Major General Walter von Reichenau, Chief of the Wehrmachtamt of the Reich War Ministry.

¹⁰ See document No. 222, footnote 1.

measures against Jewry in the economic sphere and will convene a further discussion should occasion arise.

It emerged from the discussion that the Party's general programme in respect of the Jews was substantially adhered to but that the methods employed were subjected to criticism. The unbridled expansion of anti-Semitic activities in every conceivable sphere of life on the part of irresponsible organizations or private individuals should be stopped by legal measures. At the same time the Jews should be subjected to special legislation in certain definite spheres, above all economic, but apart from this they should retain their freedom of movement.

An overall and uniform objective for Germany's policy towards the Jews did not emerge from the discussion. The arguments put forward by the Ministers responsible for the various Departments merely went to show that the Jewish question represented an obstacle to the performance of their political duties. Admittedly Herr Schacht's statement that he must reject all responsibility for the implementation of the expansion programme unless the anti-Semitic excesses were checked sounded in various contexts like an imperative. But Herr Schacht did not draw the logical conclusion and demand a radical change in the Party's Jewish programme, nor even in the methods of applying it, for instance a ban on *Der Stürmer*.¹¹ On the contrary he kept up the fiction of abiding a hundred per cent by the Jewish programme.

In the discussion it was pointed out both by Herr Schacht and the Party representatives that this question involved a divergence over fundamental views between the Party and the State which went beyond the concrete issue which had occasioned it and possessed a basic significance. In the main, the departmental representatives drew attention to the practical disadvantages for their departmental work, whilst the Party justified the necessity for radical action against the Jews with politico-emotional and abstract ideological considerations (State Minister Wagner, Ministerialdirektor Haegert, Promi).¹² Since the question is primarily one of internal political significance there would seem to be no reason why the Foreign Ministry should tackle the Jewish question from the foreign policy angle, especially as Herr Schacht has already undertaken this task from the point of view of economic policy. The objections already expressed by the Foreign Ministry, that publication of the Reich Minister of the Interior's order could be construed as being a success for the Jewish boycott, would not appear to require repetition for the moment in view of the course taken by the discussion.

Herewith respectfully submitted to the State Secretary.

RÖHRECKE

¹¹ The anti-Semitic weekly published by Streicher.

¹² Wilhelm Haegert, Head of Department II (Propaganda) of the Reich Ministry for Public Enlightenment and Propaganda (Promi).

No. 269

6084/E451605-05/2-06

The Minister in Austria to the Führer and Chancellor

SECRET

VIENNA, August 21, 1935.

II Oc. 2402.

Subject: Yugoslavia and the Habsburg question. Military conversations.

The declaration made by Baron Aloisi, when the Paris conversations failed,¹ that Italian policy in the Danubian area would be pursued with all the more vigour and that further discussions on the question of the Danubian Pact might be expected soon, caused the Yugoslav Minister, Nastasijević, to call on me yesterday.

M. Nastasijević had just returned from a personal conversation with Prince Regent Paul. The Prince Regent's illness was due to a fistula on the upper arm and was quite unimportant. The Prince Regent was still extremely troubled about the Habsburg question, particularly by reason of the following: The Austrian Federal Chancellor had some days ago sent for the French Chargé d'Affaires, Vicomte de Montbas, in order to complain to him about the fact that the Little Entente had put up considerable opposition against the return of the Habsburgs even in a *private capacity*. Montbas had reported on this to Paris, whereupon M. Laval had taken soundings with the Yugoslav Government as to why they objected to the return of Archduke Otto even in his private capacity. "The Austrian Government were much troubled about this and Paris urgently desired that they should be better treated."

The Prince Regent deduces from this, not unjustifiably, that the Quai d'Orsay would welcome a return of the Habsburgs in a private capacity and would consider this as a first stage in their restoration.

The conference of the Little Entente which is to take place at Bled on August 29² would, at the Prince Regent's desire, once again consider the Habsburg question. It was thought in Belgrade that, in this contingency, Czechoslovakia and Rumania would content themselves with paper protests. It was indeed useless to resolve "to mobilize if one was not at the same time determined to march", but the only Power that was prepared to do so was Yugoslavia herself.

M. Nastasjjević then asked me whether it would not be possible for his Government to conclude confidential military agreements with the German Government "for this particular contingency". The Minister President and Foreign Minister, Stojadinović, had assured him that

¹ Baron Aloisi held conversations in Paris with Eden and Laval, Aug. 16-18, on Abyssinia. For Baron Aloisi's statement of Aug. 19 on the Italian policy on the proposed Danubian Pact, see *The Times* of Aug. 21, 1935.

² See also document No. 292 and footnote 2 thereto.

his policy *vis-à-vis* Austria and Germany had remained unchanged. The Yugoslav Government had so far not been informed of the French draft³ for the Danubian Pact and they had only learned of this draft "by the back stairs".

In any case their attitude to this question was still inherently unfavourable.

I told M. Nastasijević that the German Government's views in the event of the Danubian Pact negotiations being reopened had been stated in the Führer's speech of May 21. Over and beyond this, the European situation, which had changed since the spring, would make it even harder for us to accede to pacts which must lead to the formation of military blocs unfavourable to us.

The suggestion for confidential military discussions about eventual measures to be taken in connection with an attempted Habsburg restoration strikes me as being very significant. Even informal military contacts would strengthen the existing friendly relations and loosen the ties with the States of the Little Entente. As I assume that the Prince Regent asked M. Nastasijević this question in order that it should reach the Führer through me in the most confidential manner possible, I venture to request that the matter be treated in the strictest confidence and that instructions be sent me enabling me to make a reply through the same channel.⁴

PAPEN

³ See documents Nos. 249, footnote 2, and 253, enclosure.

⁴ The following minutes are appended to this document:

(A) To the Foreign Ministry copy (here used): (i) "Herr Heinburg. Please [draft] reply for Papen. Was he not informed of the Stojadinović-Heeren conversations and our instructions? [document No. 228 and footnote 3 thereto] R[enthe-] F[ink], Aug. 27." (ii) "Yes. H[einburg]." (6084/E451607).

(B) To the Reich Chancellery copy (1549/376762-64): (i) "(1) Minute. Counsellor of Legation Dr. Altenburg in the Foreign Ministry enquired what the Führer and Chancellor had decided concerning the report of Aug. 21, No. A 1956, by the Ambassador Extraordinary and Envoy Plenipotentiary on Special Mission von Papen. The Foreign Ministry propose to inform the Ambassador. Since the report was not known here an enquiry was addressed to the Foreign Minister's Secretariat in Berchtesgaden. The report was not available there either. A copy was therefore obtained from the Foreign Ministry. It is attached in case it is proposed to make a report to the Führer and Chancellor. (2) Submitted herewith to the State Secretary. Berlin, Aug. 31, 1935." (ii) "(1) The Führer has been informed of the attached report by Ambassador von Papen. He has discussed the matter with the Minister of War. The latter will take the necessary action. No action is to be taken by us. (2) To the Referent for his information. (3) To be filed. L[ammers], Munich, Sept. 5, 1935." "Senior Counsellor Heinburg of the Foreign Ministry is informed. W[illuhn], Sept. 9." (1549/376765-66).

(C) To the Foreign Ministry copy: "Neither Maj. Gen. v. Stülpnagel nor the Abwehr know anything of the War Minister's reported participation in the matter—v. B[ülow]. Oct. 28." (6084/E451611).

A further minute indicates that the document was eventually consigned to the files on Dec. 31, 1935 (6084/E451612); no relevant instructions to Papen have been found.

No. 270

8015/E576156-62

The Chargé d'Affaires in Great Britain to the Foreign Ministry

CONFIDENTIAL

A 2917

LONDON, August 23, 1935.

Received August 24.

III O 3755.

Subject: Mr. Lloyd George's conversation with a confidant about his consultations with the Foreign Secretary over the Italo-Abyssinian conflict.

Enclosed I submit three copies of a memorandum by a confidant on a conversation with the ex-Prime Minister, Mr. Lloyd George, after the latter had been consulted by Sir Samuel Hoare and Mr. Eden about the Abyssinian crisis. In assessing the memorandum, Lloyd George's vivid imagination on the one hand and his critical attitude to the present Government on the other need to be borne in mind.¹ None the less his observations are to some extent borne out by the reports in today's press on the results of yesterday's meeting of the Cabinet.²

BISMARCK

[Enclosure]³

MEMORANDUM dated 22nd August, 1935

The Paris talks ended, as had been anticipated by all well-informed and sensible folk, by a complete fiasco and deadlock. There was, in fact, only one perhaps unexpected feature about them. This was the deliberate insolence and contempt with which Mussolini treated Laval and Eden, by disdaining to reply to the simplest questions put by them to Rome. This attitude of calculated rudeness aroused a good deal of feeling here, both in official circles and among the public. Personally, I think we and the French got all we deserved by our abject appeals and proposals to a Dictator who had already shown that he would have none but his own way on every point. Apart from this, the only really significant feature of the talks was the evasiveness of Laval, whenever Eden sought to pin him down to any pledge of support for action by ourselves and by the League. Laval appeared not to take over-seriously Eden's intimation, that, if France would not help us to uphold the principle of collective security in the case of

¹ In airgram No. 184 of Aug. 23 (8017/E576876-78), in which Bismarck commented on press reports on the outcome of the Cabinet meeting of Aug. 22, he also reported that Lloyd George's statements on ministerial references to the weakness of British defence forces had been confirmed by another source, which had stated that this factor had been taken into account at the Cabinet meeting.

² The document here printed was initialled by Bülow on Aug. 26 and by Neurath on Aug. 27.

³ In English in the original.

Abyssinia, we might find it difficult to uphold it in France's favour at a later date. I am not sure, at this moment, (but I will not say for any definite period) that Laval was not warranted in his assumption that this threat was half-hearted. It certainly was, and still is, so far as any threat to French security by the Germans is concerned. But where Austria is concerned our outlook has already altered. We would not raise a finger to bolster up either the Danube Pact or the Schuschnigg Cabinet in Vienna, although Laval wants us to do so.

I gather that foreign countries are a little taken aback by the dramatic way in which our Ministers have been recalled to London for the present Cabinet meeting, and the extraordinary and flamboyant publicity given to this meeting. Some of our foreign diplomats in London comment on the theatricality of these proceedings, and are not far wrong in ascribing it to a desire to impress the electorate, and more particularly the Opposition and floating voter, with a notion that this Tory-ridden National Government is a [*sic*] standing up nobly in defence of the League; whereas, of course, it is endeavouring to do this with the maximum of eloquence but the minimum of risk and action.

This impression was emphatically confirmed to me by Lloyd George last night, when I had a long discussion with him on the subject of his talks earlier during the day with Hoare and Eden. I asked him how he had found them, and he retorted, with characteristic pungency: "A frightened pack!" He told me that he came away from the whole conversation—it was really an exchange of views—feeling that the popular portrayal of Eden as a fearless and high-souled statesman was not at all justified. As a matter of fact, Eden struck him as decidedly weak and liable to yield to intimidation, more particularly French intimidation. He thought far better of Hoare, who, he said, might be a strong Foreign Secretary, were he not hampered by the weakness of his colleagues. However, he found both of them very depressed and depressing. Their whole idea seemed to be that, without France, Great Britain and the League could do nothing effective. The Anglo-French Entente was the pivot of our whole foreign policy, more especially in Europe, so that not only could we not afford to go *against* France, but we could not afford even to act *without* her. Hoare and Eden, in the first place, were far from clear as to whether, if we moved a strong resolution at Geneva against Italy, Russia and the smaller Powers other than the Scandinavians would vote our way, if France voted the other way, or, as was more likely, decided to abstain. But, even assuming that Russia and the smaller Powers did support us morally, and were prepared to go a little further, we could not make Russia our partner in such a matter, and the smaller Powers would be of no material use. Indeed, neither they nor Russia possessed any navy worth mentioning. France alone

boasted a first-class navy and could enable us either to close the Suez Canal to Italian ships, or to establish a blockade of Italy in the Mediterranean. But for the latter purpose we should require the co-operation of Spain, to ensure the closing of the Strait of Gibraltar. Spain, however, would follow France, so that she would not be available without French co-operation. If we endeavoured to close the Suez Canal independently of France, Italy would probably charter French vessels to send through the Canal, and these we should be powerless to stop. Lloyd George said that he had plied our two Ministers with questions on the extent to which we could rely on French co-operation. But on this point they were either hazy or elusive, representing Laval's personal position as one of great embarrassment and weakness between his domestic Right and Left, as well as between ourselves, the League and Italy. They professed a faint belief either that he was coming round to our view, or would ultimately come round to it. But they spoke in this regard obviously without confidence or conviction. They were also gloomy about the prospects of any clear support, even moral support, from Washington. Obviously, too, they had been alarmed by the reports of the fighting departments, emphasizing the difficulty for this country with its Army, Navy and Air Force all under strength, and in the Naval instance rather antiquated, to take upon themselves any big job—like a blockade of Italy single-handed. On this point Lloyd George remarked that he also when in office, had always found the fighting experts dissatisfied with their resources, and inclined to declare their inability to carry out any task without much greater forces at their disposal. But, as Lloyd George went on to say, in spite of this self-belittlement, when it came to the point, our men and material did not fail. The French fleet was not firstclass, and the Italian hardly second-class. It was still bold and courageous seamanship and leading that would win naval battles. I asked Lloyd George how he would sum up his conclusions on the outcome of his talks with the two Ministers. He said that they would try and convey to the British people, and to the outside world, a strong impression on their resolve to safeguard peace and the League. No doubt we should have later what I had described as a spectacular verbal demonstration at Geneva, but we should hardly go beyond that. Even passive sanctions, i.e., the mere withholding of supplies from the aggressor, would probably be discarded on the ground that the requisite unanimity to designate the aggressor had proved unobtainable. We should be glad in the end to salve our consciences, and get out of it in this way. He agreed that the approach of the election might have influenced the Government in this sense, and prevented their open adoption of a purely cynical and isolationist course. Nevertheless, he thought that the International crisis would mean a considerable postponement of

the election. I asked him, further, whether the Ministers had mentioned the possibility, in the first place, of Italy going to war before September 4th in order to place the League before the accomplished fact, and, in the second place, the possibility of Italy combining with her declaration of war the proclamation of a naval blockade on the maritime routes leading to the states and foreign colonies bordering on Abyssinia? He replied that the Ministers did not believe in the first possibility, and were almost equally sceptical about the second. He himself had remarked that, if the Italians sought to stop our ships he would fight them, and sought to draw from Ministers an anticipation of the attitude likely to be taken by the Cabinet on this point. But they ran away from this query in this particular connection, as in several others. He was indeed decidedly severe on the Government's attitude, pointing out that the line taken by all our great Foreign Secretaries in the past century—Disraeli, Palmerston, Canning, even Castlereagh—had always been an independent one. They had never subordinated our policy to that of any other Power, whether France, or Germany, or Austria. They had never played second fiddle, but initiated policy, and did not receive one ready-made from another country. They were not isolationists, but they believed in detachment [*sic*]. "Neither am I an isolationist," exclaimed Lloyd George, "as I have always told Beaverbrook. I would interfere, but always in an independent and thoroughly detached manner, where British interests or the general interest seemed to call for our interference." He agreed with me again that a strong British Foreign Secretary might have prevented an Italo-Abyssinian war a few weeks ago, by allowing Mussolini to realize that, if he went forward in Abyssinia we should drop him, his Danube Pact, and his Viennese puppets, and leave him to face Germany alone, across Austria. We should also have told France likewise that Locarno would operate in her defence against Germany only so long as she agreed with us to oppose aggression elsewhere, and that she would defend Austria for Italy's benefit at her own risks and peril. Lloyd George commented on the folly and weakness of MacDonald and Simon at Stresa, in then and there agreeing to back up Mussolini's defence of Austrian independence, without requiring him, as a condition of our support concerning Austria, to respect the independence of Abyssinia. How was it that the issue was not even discussed between our Ministers and Mussolini at a date when the Italian threat to Abyssinia was already clear and imminent? That was an unforgivable omission. Incidentally, Lloyd George remarked that it looked as if our Ministers would raise the arms embargo at an early date, but too late to provide Abyssinia with adequate means of defence, unless a special effort were made by this country. He had suggested that our Government should tell our armament firms to hurry up and deliver to Abyssinia

the requisite amount of small arms and ammunition, without worrying about cash or short credit terms. We could not budget for such a subsidy to Abyssinia; but it would be easy to compensate the armament firms in their subsequent contracts with our own Government. "But" wound up Lloyd George, "you know as I do that out [*sic*] official people are quite incapable of this subtlety!"

No. 271

5643/H000751-55

State Secretary Bülow to Foreign Minister Neurath

BERLIN, August 26, 1935.

IV Po. 5739.

DEAR HERR VON NEURATH: With reference to my letter of July 23, 1935,¹ on the economic negotiations with Poland, I venture to inform you that these negotiations have in the meanwhile been conducted in accordance with your instructions as contained in the informatory memorandum of July 25 for the Führer and Chancellor,² which was sent to me. The negotiations have now reached the stage where a decision in the still outstanding questions is required during this week.

1) In the question of *prices in excess of the world market level* for Polish agricultural produce, it was possible to reach a point where a practical solution may be expected without further difficulties. Poland has waived her claim to excess prices as from January 1, 1936, provided we have at that time ceased paying such prices to other countries, and she has done so without reserving the right to fresh negotiations in such a contingency. The number of products to which this arrangement will apply during the interim period of four months has been brought down from four to two (butter and eggs). Moreover, the amount involved in these payments in excess of world market prices is now so small (500,000 RM, instead of 6 million RM as at the time of my letter of July 23) that it should not be allowed to prevent a treaty from being concluded.

2) In the *coal question*, Poland has practically renounced her desire to import [into Germany] during the period covered by the agreement. Only in the somewhat unlikely event (which would in any case be favourable to Germany) of German exports to Poland exceeding the value of Polish imports into Germany (85 million RM), i.e., only if the present passivity [in our balance of payments] is not only remedied, but a surplus achieved, would Poland insist on Germany's accepting coal against a part of this surplus. An upper limit would of course have to be set for such deliveries of coal.

¹ Document No. 217.² See document No. 217, footnote

3) On the question of *railway payments in respect of Corridor traffic*, no progress could be made within the framework of the negotiations, as Poland refuses to negotiate on this matter at present. The *démarches* meanwhile made by our Embassy in Warsaw, in order to have instructions in accordance with our wishes sent to the Polish delegation here, have proved fruitless.³

4) Meanwhile there has arisen the *whole problem of Danzig-German economic relations*, which in part requires to be taken into consideration in the German-Polish agreements too. Amongst the many outstanding questions involved, one of especial difficulty is that of how, in future, payment is to be made for the so-called "finishing of semi-finished goods" by the Schichau-Werft and a number of Danzig railway carriage factories, amounting to 12.5 million Zloty (6¼ million RM) per year, for which Germany has so far paid cash in foreign currency. It will probably be possible to persuade Poland in future to accept half of these payments in the form of German goods within the framework of the agreement. But it is likely that the remaining half will have to be settled in foreign exchange.

No further negotiations with Poland on these four questions will be possible until the Reich Ministry of Economics changes its present negative attitude. Moreover, since nearly all the questions relating to the economic agreement have been settled and since even the text, save for the outstanding questions referred to above, has now been drawn up and much of it already agreed with Poland, the decision on them cannot be postponed any longer, unless we intend to run the risk of the negotiations being broken off. I therefore venture to enquire whether there will be any opportunity before the end of the week of reporting on the present situation to the Führer and Chancellor; should this be possible I would suggest that the Führer should invite President Schacht to be present. Should there be no opportunity for a discussion with the Führer then these questions should be discussed at a high-level conference in Berlin as soon as possible. In this event I would request that I be authorized to convene a conference. In view of the interest which Minister President Göring takes in our relations with Poland, and in view of his positive attitude in this respect, I should find it helpful if some means could be found of ensuring his presence at such a high-level conference in Berlin. Do you consider this possible?

In order to obtain the necessary decision in one way or another I would suggest that the Foreign Ministry state their views as follows:

1) As a result of the negotiations, the question of the *excess prices* for Polish agricultural produce no longer possesses the primary im-

³ For the instructions to Warsaw of Aug. 2 see document No. 204, footnote 4. The Embassy in Warsaw reported the negative outcome of its *démarches* in despatches Nos. 703 W of Aug. 9 (9172/E645147-48), V IV 3a/8.35 of Aug. 13 (9172/E645149), and V III 3a/8.35 of Aug. 23 (9172/E645156-59).

portance which the Reich Ministry of Economics at one time attached to it. The proposed settlement can be approved.

2) The clause proposed in the *coal question* does not now represent a real threat to our present coal situation. If, contrary to expectations, German exports should so increase as to exceed a fixed limit and ensure us a surplus, then Poland would not be denied the right to import limited amounts of coal [into Germany].

3) The railway payments in respect of *Corridor traffic* must be left for settlement at a later date.

4) The continued employment of Schichau and the other Danzig factories concerned in the finishing of semi-finished goods for Germany is an essential German interest and must be secured at all costs, if necessary making partial payment in foreign exchange.⁴

With cordial greetings, Heil Hitler,

Yours, etc.,

V. BÜLOW

⁴ In a memorandum of Aug. 27 (1574/381407) Bargen recorded a telephone conversation with Neurath, who approved the Foreign Ministry's attitude as set forth by Bülow and, as he himself would not be able to see Hitler, the proposal for convening a top-level conference, in which Göring should if possible participate. An unsigned and undated memorandum, evidently by Bülow (2945/576016), reads: "German-Polish economic negotiations: The high-level conference under the chairmanship of the Chancellor or with Minister President Göring present, proposed in my letter of August 26, has, at least temporarily, become superfluous. To everyone's surprise, President Schacht has given way on the main points outstanding. What may be the cause of this sudden *volte face* cannot be definitely ascertained. Presumably he received instructions from the Chancellor (who had probably been approached on the matter by a third party) not to let the economic negotiations with Poland fail." A conference with Schacht on Aug. 28 was recorded by Ritter on Aug. 29 (5643/H000758-62).

No. 272

6206/E469037-39

Memorandum by a Deputy Director of Department IV

BERLIN, August 26, 1935.

zu IV Po. 5632.¹

In the budgetary report of August 21¹ to the Reich Minister of Finance, President Dr. Helferich, after detailed statements on the necessity of drastic economy measures, arrives at the following figures:

1) Deficit and other charges on the 1935 budget after deduction of repayments: 49,579,330 Danzig Gulden.

2) After deducting the improvements made by retrenchments on the credit and debit sides (14,100,000 D[anzig] Gulden) there remains a deficit of 35,480,000 Danzig Gulden for the 1936 financial year.

¹ IV Po. 5632 was a letter of Aug. 21 from Helferich to the Foreign Ministry (6206/E469036), transmitting the report on the budget of the Danzig State and City submitted by him to the Reich Finance Minister (M230/M007863-913), and stating that he had requested the latter to convene a high-level conference on the questions of dissolving the Landespolizei and closing the Technical College.

Of this, approximately 13 million Danzig Gulden are to be paid in Reichsmark, and therefore do not require to be transferred. After deduction of this sum the remainder of the deficit amounts to 22,480,000 Danzig Gulden, which must be made available as a subsidy by the Reich Treasury to the Danzig budget in the form of a real transfer (calculated for the period from April 1936).

In practice this means that—from about the beginning of the financial year 1936—a sum of 10–11 million Reichsmark annually would thus have to be made available in Danzig—*over and above* the payments in Reichsmark to be made in Germany. Higher subsidies will be unavoidable during the remaining months of the financial year 1935, as the retrenchments can only take gradual effect.

From the further statements [by Helferich] on the individual economy measures, it emerges that final decisions are still outstanding on the question of retaining the Landespolizei and the Technical College.

1) The 1935 budgetary expenditure on the Landespolizei of 3·5 to 3·6 million Danzig Gulden cannot be included within the limits of the general estimates. President Helferich does not fail to recognize that the Landespolizei, which has no police functions, undoubtedly represents strong support for the Senate and, psychologically, gives the population the feeling that Danzig too is directly participating in the preparation of the military readiness [*Wehrhaftmachung*] of the German people. On the other hand the psychological shock to Danzig occasioned by a dissolution of the Landespolizei would be offset by the fact that to a large extent Danzigers are being enabled to serve as volunteers in the Reichsheer.² Taking all these factors into account, Dr. Helferich unreservedly takes the view that the removal of the Landespolizei is absolutely essential.

2) Closing the Technical College would mean a saving of 1,160,000 Danzig Gulden; its retention would, after applying measures of economy, require a budgetary expenditure of from 500,000 to 600,000 Danzig Gulden. Its continuance would moreover have an unfavourable effect on Germany's foreign exchange situation, inasmuch as approximately 2 million Danzig Gulden would, as hitherto, have to be transferred from Germany for the 600–650 German students. The continued existence of the College would therefore mean a burden on Germany's foreign exchange of about 2½ million Danzig Gulden. On the other hand, in the event of a closure Danzig would lose not only

² The Consul General in Danzig had reported on July 10 (9163/E644521–22) that he had learned that a recruiting centre enabling Danzig citizens to volunteer for the German Army had been opened in Danzig [on July 8]. Instructions by the Reich War Minister to the Commanders in Chief of the three services on recruiting arrangements for Danzig citizens were transmitted to the Danzig Consulate under cover of despatch V 9935 of July 17 (9163/E644527–29). Other documents on this subject have been filmed on Serials 9163 and L1509.

the corresponding Reich subsidy and the students' fees, but also the foreign exchange of about 800,000 Danzig Gulden brought in by foreign students.

Despite his recognition of the loss of political prestige which would result from a closure of the College and the great loss to the cultural-political life of Danzig, and despite certain doubts by reason of probable Polish complaints in respect of the Danzig-Polish agreement of 1920,³ President Helferich comes to the conclusion that closing the College as a teaching institute for a number of years is unavoidable. On the other hand the practical use of a part of the establishment through conversion of the College into a research institute would, he holds, be quite possible. The establishment of an Eastern Institute [*Ostlandinstitut*] and two or three science research institutes is under consideration; the sum of approximately 400,000 Danzig Gulden which would have to be provided for this purpose has already been allowed for in the 1936 budget.

No one could take responsibility for deciding today to keep the Landespolizei and College if, a few weeks later, the Reich subsidy, which would as a result be from 25 to 30 per cent higher than in the above calculations, could no longer be transferred.

Herewith respectfully submitted to the State Secretary in view of the request for a high-level conference made by President Helferich to the Reich Finance Minister.⁴

ERDMANNSDORFF

³ For the text of the Convention between Poland and the Free City of Danzig, signed at Paris, Nov. 9, 1920, see League of Nations: *Treaty Series*, vol. vi, pp. 189-207.

⁴ In a letter to Göring of Sept. 5 (5552/E394624) Bülow conveyed Neurath's request that a high-level conference be convened. In a memorandum of Sept. 17 (6206/E469053) Meyer recorded that he had been informed by the Prussian Ministry of State that Göring was not prepared to hold any conferences whilst Danzig was being discussed at Geneva. (During its 89th session, held Sept. 17-Oct. 7, 1935, the League Council considered a report on petitions complaining of infringements of the Danzig Constitution by the Senate; see League of Nations: *Official Journal*, November 1935, pp. 1187-1197 and 1292-1349.) See also document No. 358.

No. 273

7468/H183301-09

The Commander in Chief of the Navy to the Foreign Ministry

SK 230/35 geh.

BERLIN, August 26, 1935.

Received August 26.

II R 1928.

The enclosed reply, which has the agreement of Ambassador von Ribbentrop, to the British Memorandum of July 4, 1935,¹ has been delivered to the British Admiralty by the Naval Attaché in London.²

¹ Document No. 193, enclosure.

² In despatch Mar. No. 670 of Aug. 31 (7790/E560400) Wassner reported that he had that same day personally handed the reply to Vice Admiral Little.

By order:
STANGE³
Lt. Cdr.

[Enclosure]⁴

SECRET

REPLY TO THE BRITISH "MEMORANDUM OF JULY 4, 1935,¹ EXPLANATORY OF THE POINTS LEFT FOR FURTHER DISCUSSION AFTER THE ANGLO-GERMAN NAVAL CONVERSATIONS"

The German Government have studied the British Admiralty's Memorandum handed to the German Naval Attaché in London on July 4, 1935, and express their attitude to it as follows:

(a) *Re [Paragraphs] 1 and 2*: No comment.

(b) *Re [Paragraphs] 3 and 4*: Note is taken of the data about the tentative British tonnage figures for the end of 1942. In the submarine category a ratio of 45:100 would yield a German tonnage of 22,050 tons.

(c) *Re [Paragraph] 5*. The German Government will build up their submarine tonnage to a strength of 45 per cent by the end of 1942 at latest. The tonnage in excess of 35 per cent is, in accordance with the Agreement, to be transferred from another class. In this connection the German Government are contemplating the light cruiser category. On the question of the transfer of tonnage, however, they would like to emphasize generally that, in relation to any transfer that may become necessary, they consider that they are entitled to effect such a transfer, within the framework of the Agreement, between any categories of ship. Moreover, the German Government must in principle reserve to themselves the right to communicate, should occasion arise, with His Britannic Majesty's Government on the basis of the right laid down in Paragraph 2 (f) of the Agreement.

If in the category of aircraft carriers a figure should result which prevents a proper utilization of that tonnage by Germany, the German Government will expect to be able to reach an agreement on a suitable adjustment of the figure, in accordance with Paragraph 2 (g) of the Agreement. This might, if occasion arose, be reached by means of a transfer from another category (e.g., the B cruisers) in accordance with Paragraph 2 (d) of the Agreement.

(d) *Re [Paragraphs] 6-12*: As regards the British proposal for permanent over-age tonnage in the cruiser and destroyer classes to

³ A minute (7790/E560382) attached to the draft (7790/E560379-81) of the covering letter here printed reads: "Information as to construction dates is always to go from us via the Naval Attaché in London to the Admiralty, not via the Foreign Ministry or British Naval Attaché here. R[aeder], Aug. 22."

⁴ The copy (7790/E560385-92) in the naval files of the enclosure here printed is marked "2nd version". One copy (7790/E560372-78) of an earlier draft is marked "1st version" and another (7790/E560361-70) is dated July 31.

be calculated separately, the German Government wish to state that:

According to the text of the Agreement of June 18, 1935, the German strength will be fixed at "a percentage of 35 of the aggregate of the actual tonnages of Members of the British Commonwealth [of Nations]." This aggregate tonnage must hitherto have included over-age vessels (in so far as they were not scrapped). The wording of the text of the Agreement can only be understood in this sense. This view was the basis of the self-sacrificing limitation of German strength to a ratio not higher than 35 per cent of the total British tonnage. Nevertheless, in accordance with the spirit of friendship in which the Agreement was concluded, the German Government express their readiness, subject to the following conditions and limitations, to accept in principle the British proposal that the 35 per cent of the British category of "permanently over-age tonnage in cruisers and destroyers" should be made up only of similar over-age tonnage in these classes:

(1) In accordance with the British proposal, the life of the six cruisers *Emden* to *Nürnberg* will be fixed at 15 years, and that of the twelve destroyers of the *Möwe* and *Wolf* class at 12 years.

(2) In this category too the calculation of 35 per cent should of course be determined not by numbers of ships but tonnage figures.

(3) The fourteen old destroyers and torpedo boats cannot be set against the deficit of 7,900 tons in over-age destroyer tonnage, since these vessels, of which the latest was completed in 1913, are so old and worn out that they will have to be scrapped in the next year or two. As regards this new category of "over-age tonnage", the German Government will, in accordance with Paragraph 2 (e) of the Agreement, also substitute old cruiser tonnage for destroyer tonnage and vice versa.

(4) Were the British proposal to be put into effect, then, at first, Germany could only continuously fill with over-age vessels the category of "permanently over-age tonnage" in cruisers and destroyers if the cruisers and destroyers built under the Versailles Treaty were kept in service up to an age of 30 and 23 years respectively. Since this is quite impossible, as is also recognized by the British proposal to reduce to 15 and 12 years respectively the life of these vessels built under the restrictions of the Versailles Treaty, another solution must be sought for a certain period so as not to bar the German navy using its 35 per cent share of the "permanent over-age tonnage". In order to bridge over the long interval between the constructions under the Versailles Treaty and the constructions within the framework of the new Agreement, the German Government therefore propose that the six cruisers *Emden* to *Nürnberg* shall be employed up to an age of 20 years only (i.e., 5 years beyond their present age) and the twelve

destroyers of the *Möwe* and *Wolf* class up to an age of 15 years only (i.e., three years beyond their present age) in the category of "permanent over-age tonnage", and that they should be replaced by the corresponding figure (tonnage) in more recent cruisers or destroyers in this over-age category, irrespective of whether these have already reached the prescribed age or not. This special adjustment would automatically cease as soon as the category "over-age tonnage" is filled with cruisers and destroyers which were completed after 1935.

(5) Having regard to the narrow limits within which the German navy is confined by the Naval Agreement, the German Government wish to inform His Britannic Majesty's Government that they must in principle reserve the right to withdraw their acceptance of the British proposal if special conditions should supervene (e.g., increased naval armaments by other European naval Powers, or for other reasons).

(e) *Re [Paragraph] 13*: It should be noted that the life of capital ships is still fixed at 20 years. If the life of these ships is not settled by a new treaty valid for all the naval Powers concerned, this question will have to be clarified between the German and British Governments. For the three ships of the *Deutschland* class, the German Government regard a life of 15 years as appropriate and would like to fix this as the minimum life by mutual agreement.⁵

(f) *Re [Paragraphs] 14-16*: It is still quite uncertain what deficiency will emerge in the future for the third German capital ship, since the amount will depend on the subsequent implementation of British building plans and on the fixing of the maximum tonnage for capital ships at the coming conference. In the event of an upper limit of 35,000 tons being set, which the German Government at present regard as the more probable, there would be a deficiency of only 10,600 tons for the third German ship. A corresponding adjustment would mean an increase in German capital ship tonnage, not of approximately half a ship but only of less than one-third of a ship. If in such a case there were no adjustment, such as is envisaged in the Agreement of June 18 for utilizing to the full the permitted tonnage for ships of standard type, 24,400 tons of Germany's capital ship tonnage would still not be utilized. It is precisely because the German Government fully recognize that the capital ship class represents by far the most important class of ships that they cannot regard the renunciation of possibly 24,400 tons or even 15,000 tons (if the standard displacement is 30,000) as more equitable than a possible surplus of 10,600 or 15,000 tons, and all the more so as they have already approached the lowest possible level with their general limitation to 35 per cent. Such discrepancies were to be foreseen and thus led to the incorporation of Paragraph 2 (g) in the Agreement. These

⁵ See also documents Nos. 584, 589, 599 and 605.

discrepancies could only have been avoided if the German strength of 35 per cent had been related not to the separate categories of ship but merely to the total tonnage. To meet British wishes the proportion of strength was, at the expense of German interests, related to the separate categories. This rigid commitment was, however, only possible for Germany under the conditions of Paragraph 2 (*d*) and (*e*), and particularly Paragraph 2 (*g*) on the possibility of adjustment in the case of tonnage figures which could not be divided exactly. In principle the German Government would observe that they cannot regard an occasional exceeding of the tonnage in one category, amounting to about half a ship, arising from an adjustment, as being contrary to the meaning of Paragraph 2 (*g*) of the Agreement. The last sentence of this Paragraph runs: "It is understood that this procedure shall not result in any substantial or permanent departure from the ratio 35 : 100 in respect of total strengths." In all probability, however, the total naval strength will not be exceeded. Even if an occasional (non-lasting) excess of tonnage by 15,000 tons in the capital ship category should lead to some exceeding of the total strength of 35 per cent, such a non-lasting excess, amounting to about 3 per cent of total tonnage, could not be regarded as "substantial". The German Government therefore hope that His Britannic Majesty's Government will agree with them that in the case of insufficient tonnage for the third capital ship the application of Paragraph 2 (*g*) may be considered appropriate.

(*g*) *Re [Paragraphs] 17 and 18*: The proposal to find the tonnage necessary for a transfer to supplement the tonnage for capital ships by forgoing two "A" cruisers cannot, it is regretted, be accepted by the German Government, having regard to the other navies of the European continent. This naturally applies only in the event of no general agreement having been reached by 1937 not to build further ships of this class.⁶

⁶ In despatch Mar. No. 304/II of Mar. 4, 1936 (5577/E400705) Wassner repeated the text of a letter from Craigie acknowledging the latest German Note of Feb. 19 (see item (iv) below) and concluding that: "... like the German Government, His Majesty's Government note with much satisfaction that an understanding has now been reached on all questions relating to the practical application of the Anglo-German Naval Agreement." The intervening Notes on technical questions exchanged between the British and German Governments are listed below:

(i) British memorandum of Oct. 16 (7468/H183314-20) sent under cover of London despatch A 3652 of Oct. 17 (7468/H183311-13).

(ii) German reply of Nov. 23 (7790/E560468-76) despatched by the Naval Command under No. SK 28/35 geh. of Nov. 25 (7790/E560477-78).

(iii) British Memorandum of Jan. 25 (7790/E560520-22) sent under cover of despatch Mar. No. 101 of Jan. 28 (7790/E560519).

(iv) German reply of Feb. 19 (7790/E560536-37).

The Foreign Ministry copies of items (ii), (iii) and (iv) have been filmed on Serial 2067.

No. 274

9572/E674721

The Minister in Hungary to the Foreign Ministry

Telegram

No. 71 of August 27

BUDAPEST, August 27, 1935—6:25 p.m.

Received August 27—8:15 p.m.

With reference to your telegram No. 56 of August 20¹ and my report No. 154 of August 21.²

Deputizing for the still absent Foreign Minister, Apor asked me to call on him today to inform me that the Hungarian Government shared without reservation our views regarding the three points contained in telegram No. 56. In order to exclude the possibility of any doubt I have again tied Apor down to each of the three points, especially to paragraph (2), first sentence. Apor emphasized that the Hungarian Government relied upon the actual substance not only of the preliminary conversations but also later of the detailed discussion being treated as strictly confidential, as the Government entered into conversations so closely affecting the sovereignty of the country *only* with their friend the German Reich. I replied that our sole aim was to solve by way of a completely frank discussion amongst friends a problem which, contrary to the wishes of both Governments, had hitherto repeatedly impinged with disturbing effect on our friendly relations. Baron Apor confirmed to me that this view accorded with that of his Government.

As Pataky is away on business and will subsequently have to accompany the Foreign Minister to Geneva, Apor thought it would be best if Senior Counsellor Rödiger's visit could take place towards or immediately after the middle of September. He will ascertain Pataky's exact time-table and will then suggest a definite date.³

MACKENSEN

¹ Document No. 267.

² Not printed (9722/E683622-23).

³ The outcome of the subsequent exchange of telegrams (9722/E683627-30) was that the date of Rödiger's visit was fixed for Oct. 7. No records of his conversations in Budapest have been found.

No. 275

7790/E560401-03

*Unsigned Memorandum*¹

SECRET

[BERLIN, August 28, 1935.]¹

As the result of the Anglo-German Naval Agreement of June 18, 1935, the Navy has been given a clearly defined objective.

The Agreement arose from the Führer's decision to fix the relative strengths of the German and British Navies at 35 to 100. This decision, taken for considerations of European policy, formed the starting point of the London negotiations. It was unswervingly maintained in face of initial British opposition and our claims were put through in their entirety. The basis of the Führer's decision is the determination to exclude any possibility of antagonism between Germany and Britain for the future and thus also finally to rule out any naval rivalry between the two countries. The political conditions for the Agreement are thus fundamentally different from those governing our former naval laws.

The Agreement is entirely satisfactory for the Navy. Any substantially larger figure than that permitted by the Agreement could hardly be reached in the next decade. It will give us the opportunity of creating a modern fleet which is appropriately constituted and in accordance with our maritime needs.

By means of the Agreement Britain has formally accepted the expansion [*Aufbau*] of the German Navy on the lines laid down by the Führer. On the basis of British strength as it is likely to be after the present naval armament treaties have expired, the following are the approximate tonnage figures available to us for the next few years:

| | | |
|-------------------|---------------|---|
| Capital ships | approximately | 176,000 tons |
| Aircraft carriers | " | 40,000 tons |
| Heavy cruisers | " | 50,000 tons |
| Light cruisers | " | 110,000 tons (this figure should be increased by 10,000-20,000 tons for over-age cruisers). |
| Destroyers | " | 53,000 tons (this figure should also be increased by about 17,000 tons for over-age vessels). |
| Submarines | " | 22,000 tons. |

¹ A note at the head of this document reads: "Prepared by SK I for A Ia for the final conference of the C. in C. Navy on Sept. 23. St[ange], Aug. 28." No record of such a conference has been found. This document is based partly on a circular by the C. in C. of July 15 (7790/E560272-73, 277-79, 283-84) for the full text of which see *Trial of the Major War Criminals before the International Military Tribunal* (Nuremberg, 1947-1949), vol. XLI, document No. Raeder 12, pp. 3-5. The tonnages cited in the earlier version were based on the British treaty strengths and differ from those in paragraph 4 which are calculated "on the basis of British strength as it is likely to be after the present treaties have expired".

The tonnage for light cruisers and destroyers may be utilized for either class of ship.

On a long-term basis, dependence on the level of British naval armaments might lead to difficulties if other navies considerably exceeded their present strength and Britain did not maintain the present differential between her own strength and that of those Powers by means of a corresponding increase. We have reason to count on Britain maintaining this differential by and large in accordance with her traditions and experience of history. Should we nevertheless find ourselves in an intolerable position as the result of increased armament by other Powers which we could not match because of the Agreement, the provisions of Paragraph 2(c) afford the opportunity of approaching the British Government with a view to a possible alteration in the ratio of strength.

The success of the Agreement lies principally in the political sphere. In this respect its consequences should not be underrated. As a result of the Agreement the most powerful of our former enemies and of the signatories of the Versailles Treaty has formally invalidated an important part of this Treaty and formally recognized Germany's equality of rights. The danger of Germany's being isolated, which definitely threatened in March and April of this year, has been eliminated. A political understanding with Great Britain has been initiated by the naval settlement. The front recently formed against us by the Stresa Powers has been considerably weakened by the Agreement.

At the forthcoming Naval Conference of the principal maritime Powers, agreement among the other Powers at the expense of Germany, such as we have often experienced in the past, will no longer be possible, if only because our strength is fixed in proportion to the British. We can certainly count on British strength continuing to be maintained commensurately with that of the other naval Powers. Germany can, therefore, look forward to any future Naval Conference with complete equanimity.

[EDITORS' NOTE: The idea of a press truce between Germany and Austria had been under consideration for some time (see also vol. III of this Series, document No. 235 and footnote 4 thereto). In a letter to Renthe-Fink dated June 17, 1935 (8663/E606584-85), the Counsellor of Legation in Vienna, Erbach, had referred to the advantages of "a gentlemen's agreement" on the lines of that negotiated between Hassell and Mussolini (see document No. 124, footnote 2). The press war and mutual recriminations continued, being aggravated by an episode in Munich, when, on the anniversary of the assassination of Dollfuss, a wreath inscribed "To our comrades of July 25, 1934" was laid on a National Socialist memorial (cf. *The Times* of July 27, 1935).

These matters were dealt with in detail by Papen in a despatch, A 1931 of August 17 (8662/E606455-60), headed "Impossible Conduct of the German Press", in which he complained, amongst other things, of the behaviour of the Bavarian authorities and of the Propaganda Ministry and of attacks in the German press which had led Starhemberg to impose a ban on Austrians taking part in German sporting events; Papen further stated that such conduct, which was in flat contradiction to Hitler's directives, was making impossible his own work in Austria and that he proposed to discuss the matter with Hitler in an interview which he was about to have with him (no record of this interview has been found). On August 23, in despatch II Oe. 2333 (8663/E606596-99), Bülow, in agreement with the Propaganda Ministry, sent Papen instructions to protest most strongly at the attitude of the Austrian press. In telegram No. 79 of August 23 (8663/E606605-07) Papen replied that in carrying out his instructions with the Austrian Foreign Minister it had emerged that the Austrian Government would welcome an end to the tension created by mutual press recriminations and he therefore proposed that both sides should publish communiqués in this sense on the conversation; he submitted drafts. In telegram No. 65 of August 24 (8663/E606608-10) Bülow sent a variant draft agreed with the Propaganda Minister. The final texts are contained in the following unsigned memorandum (8663/E606611-13):

"TELEPHONE MESSAGE FROM THE GERMAN MINISTER IN VIENNA,
HERR VON PAPEN, ON AUGUST 27, 1935, AT 4:15 P.M.

"Minister von Papen to State Secretary von Bülow.

"After several conversations with the Austrian Foreign Minister we have just agreed on the following texts for both communiqués:

"German Communiqué:

"In the name of the German Reich Government, the German Minister in Vienna, Herr von Papen, has protested most strongly to the Austrian Federal Government at untruths and slanders, as well as tendentious representations of the internal German situation, which have recently appeared in sections of the Austrian press and which have been directed against the Reich and its leading personages.

"In the ensuing conversation, in which the Austrian Minister for Foreign Affairs, too, made analogous complaints, agreement was reached that it was greatly to be regretted if the press of one or other country should be responsible for excesses or slanders in the treatment of the other country, its institutions and statesmen, and that, on the contrary, efforts should be made to cause the press of both countries to contribute more than has hitherto been the case to the restoration of normal relations.

"Austrian Communiqué:

"In the name of the Austrian Federal Government, the Austrian Chargé d'Affaires in Berlin has recently often protested most strongly to the German Reich Government at untruthful and slanderous articles in respect of members of the Austrian Federal Government and internal Austrian affairs appearing in sections of the German press, which articles have occasioned the ban imposed by the Central Athletics authorities in Austria on Austrian athletes taking part in sports in Germany.

"In an ensuing conversation between the German Minister, von Papen, and the Federal Minister for Foreign Affairs, Berger-Waldenegg, at which the German Minister likewise raised analogous complaints, agreement was reached that it was greatly to be regretted if the press of one or other country should be responsible for excesses or slanders in the treatment of the other country, its institutions and statesmen, and that, on the contrary, efforts should be made to cause the press of both countries to contribute more than has hitherto been the case to the restoration of normal relations.

"With reference to the concluding paragraph common to both, we took the view that the positive note contained in my first proposal should not be lacking. This cautious note has therefore also been appended to the final paragraph of the German draft. Moreover, the first paragraph of the joint communiqué has been more or less made to tally in both cases. The preconditions for publication in the morning press on Wednesday are that, firstly, no changes should be introduced into the texts of either communiqué, secondly, that there should be simultaneous publication in the morning press, and, thirdly, no comments, semi-official comments, etc., as otherwise counter comments would appear on the Austrian side which might well aggravate the situation still further.

"Minister von Papen awaits a telephone message from the State Secretary, as the Minister has promised the Austrian Foreign Minister that he would let him know by this evening. Herr von Papen much hopes that the State Secretary will do his best to see that this communiqué, agreed under great difficulties, is accepted as it stands.

"The Austrian Foreign Minister further stated that, if it were possible to agree about the press communiqué, the Austrian Government would, in respect of the matter of the wreath in Munich, be content to receive a statement privately and not for publication from the German Foreign Ministry that the *démenti* in the *Völkischer Beobachter* was due to misinformation. Similarly, the ban on sport would be rescinded, should the agreement reached lead to a *détente*. The Foreign Minister especially mentioned the ban on sport in the communiqué in order for there to be grounds for rescinding it."

On August 28, Papen reported in telegram No. 82 (M289/M012046) as follows:

"The Foreign Minister telephoned me in order to complain about the headlines given the communiqué in the *Völkischer Beobachter* and the *Börsenzeitung*. Such tendentious headlining conflicted with the spirit of the joint agreement about reproducing the communiqué without comment. He would be compelled to publish the communiqué in the *Neuigkeitsweltblatt* and *Oesterreichischer Zeitung am Abend*, which appear this evening, under similar headlines.

"But beyond this he was ready to prevent any vicious polemics in so far as the German press did the same.

"The communiqué has been published here under neutral and even conciliatory headlines. Only in the *Reichspost* was it headlined 'The National Socialist press campaign against Austria'. I urgently request instructions to the press in order that the agreement may be kept and the effect of agreements so painfully reached may not be dispelled."]

No. 276

8777/E611829-38

*Circular of the Foreign Ministry*¹

Express Letter

IMMEDIATE

Drafting Officer: Counsellor Mackeben.

BERLIN, August 29, 1935.

zu V 10904²

11760³

12390⁴

12410⁵

12584⁶

12585⁷ Ang. I.

Subject: Refugee questions. Visit to the Foreign Ministry by the Commissioner for Refugees, Macdonald.

With reference to our letter V 2135 of February 12, 1934.⁸

¹ Addressees were the Reich Ministers of the Interior, Finance, Economics, and Public Enlightenment and Propaganda, the Office of the Secret State Police and the Directorate of the Reichsbank.

² London report A 2569 of July 24, and enclosures (8777/E611768-809).

³ Report 437 of July 23 from the Consulate in Boston, Mass. (8777/E611810-12).

⁴ Memorandum by Mackeben of Aug. 22 (8777/E611813-15) on a conversation of even date with Professor MacDonald.

⁵ Letter of Aug. 19 from the Chairman of the Executive Committee of the Society of Friends in Great Britain to the Foreign Ministry, and enclosed memorandum on the refugee situation (8777/E611817-19).

⁶ Letter of July 29 from Lt. Col. Draudt of the German Red Cross to Senior Counsellor Woermann (8777/E611820), enclosing a letter to the Foreign Ministry of July 27 (8777/E611821-23) and a memorandum of July 25 (M115/M004395-96) on a forthcoming proposal to the League of Nations on refugees.

⁷ Minute by Mackeben of Aug. 26 enclosing two drafts for a petition by various humanitarian organizations to the League of Nations, handed over by Draudt (8777/E611824-28).

⁸ Not printed (8777/E611656-62).

The League of Nations Commissioner for German Refugees, Professor James G. MacDonald, visited the Foreign Ministry on August 22, and asked what the attitude of the German Government would be to his intention of dissolving his organization and incorporating it, together with the Nansen Office,⁹ in a central League of Nations organization, still to be set up, which would deal with all refugee questions. Mr. MacDonald stressed the fact that he did not intend to pursue his own plans in this direction—although he considered them to be both right and practical—against the express wishes of the German Government, chiefly because the German Government were best able to judge whether the German refugee question would presently regain that importance which formerly attached to it but which has now diminished. He believed that the coordination of the care of German refugees with the other international welfare problems was in the true interests of the German Government, since in this way the special office for questions concerning German refugees, which existed at present and was not agreeable to us in some respects, would disappear and would be incorporated into an organization dealing with all refugee questions.

Mr. MacDonald, who intended to travel to Russia via the capitals of the Scandinavian countries, after staying only one day in Berlin, and to return from Russia to Geneva at the beginning of next month without staying in Germany again, asked to be informed of the German Government's views through our Consul in Geneva.

The position is, briefly, as follows:

At present it is necessary to differentiate between the, mainly stateless, refugees from Russia, Armenia, Syria and Turkey who, with the recent addition of a section of the Saar refugees, are cared for by the Nansen International Office, which is subordinate to the League of Nations, and those refugees who are for the most part nationals of various European States, amongst whom only the German *émigrés* come under the special care of the "High Commissioner for Refugees (Jewish and other) coming from Germany", as a result of the resolution passed by the Council of the League of Nations on October 10, 1933.¹⁰

Efforts are being made to place the two categories of refugees under one uniform League of Nations organization. This plan is being promoted by:

"The International Nansen Office" whose own mandate will expire in 1939;

The "High Commissioner for German Refugees", who for various reasons is weary of his office;

The "International Committee of the Red Cross" in cooperation

⁹ i.e., the Nansen International Office for Refugees.

¹⁰ See League of Nations: *Official Journal*, December 1933, pp. 1616-1618.

with the "International Office for Church Aid", the "International Migration Service", the "Society of Friends" (Quakers), the "International Federation of League of Nations Societies", and the "International Save the Children Union".

The last-mentioned organizations have sent a joint petition to the League of Nations. The "Society of Friends" (Quakers) has also prepared a memorandum on refugee questions based on this petition and has sent copies of it to the German Government and doubtless to all the other Governments concerned as well.⁵

At the request of the Royal Norwegian Government,¹¹ the treatment of the refugee question in accordance with the above-mentioned statements has been placed on the agenda for the next (sixteenth) session of the League of Nations, which begins on September 9 next.

According to what we have learned so far, the new organization is designed not merely to remove the dichotomy hitherto existing in the care of refugees, but also to provide for a lasting and general representation of the interests of all refugees who have in any way been aided by the League of Nations in the past or who will be so aided in future. The various duties to be undertaken by this organization are said to be as follows:

a) To afford legal protection (identity cards, residence permits, work permits) within the framework of the existing national laws in order to facilitate settlement and freedom of movement.

b) To give practical aid to refugees in their search for permanent domicile and possibilities of employment, and to afford temporary assistance during the interim period.

The head of the proposed new organization would be directly responsible to the League of Nations and would report from time to time to the Council of the League of Nations and to the Assembly. He would be assisted by a special League of Nations committee, which would consist of individuals (not representatives of Governments) who have been especially concerned with the problems of the care of refugees in the various countries and who would be nominated by the Council. Over and above this, the Committee would also include representatives of private organizations (mostly Jewish) which concern themselves with refugee questions. These representatives too would be nominated by the Council.

The administrative costs of the new organization would be borne by the League of Nations, but funds would be obtained from other sources to meet the greater part of the expenditure for assistance, etc. In particular, collections by the above-mentioned private organizations, the issue of charity stamps (Mexican proposal), etc., are said to be envisaged.

According to data supplied by the League of Nations, the persons

¹¹ League of Nations document A. 13. 1935. XII.

to be cared for by the proposed new organization come under the following categories: 800,000 Russians, 170,000 Armenians, 14,000 Assyrians, Assyro-Chaldeans and Turks, and 80,000 refugees from Germany. In addition there would be 40,000 Assyrians in Iraq, whose position there has become untenable and whose resettlement elsewhere should be actively promoted. Thus the persons coming from Germany amount to something over seven per cent of the total figure [of refugees].

Of the refugees listed above, 203,900 are unemployed, destitute or in an otherwise intolerable situation. The number of German refugees in this category, according to Mr. MacDonald's latest estimate, is 15,000-20,000. From the point of view of the care of refugees in general, the numbers involved do not necessitate maintaining a special organization for German refugees.

From the German point of view the problem would appear to be as follows: It is in Germany's interests that her *émigrés* should not return to Germany. Judging by previous experience this can, in the long run, be achieved only if these persons are absorbed by other communities. This presupposes the removal, wherever possible, of impediments (statelessness, labour questions, etc.) to the integration of *émigrés* into other nations, and their being given aid during the interim period when they are destitute. The proposed central organization would probably be able to exert a beneficent influence in both questions.

The centralization of all refugee questions would reduce the particular importance at present attached to the problem of the care of German *émigrés* who, as a result both of their activities and especially of the necessity of aiding them, are constantly focusing public attention on Germany in a somewhat undesirable manner. The German *émigrés* would represent only a small, though highly active, group within the framework of any organization for the care of refugees in general and they would *ipso facto* become somewhat less conspicuous. Since the League of Nations, in dealing with the Saar refugees, has had to do with German refugees, there is no longer any special objection in this respect.

The issue of Nansen passports to German *émigrés* in cases where Germany has refused in principle to issue passports, would safeguard us against such persons being arrested as undesirable aliens for lack of adequate identity papers and eventually being sent back to Germany.

In our opinion there is room for anxiety lest the creation of a special League of Nations authority to deal with the refugee problem might bring up the various related questions and might thus lead to, possibly frequent, discussion of the German *émigré* question in the forum of the League of Nations; a further ground for concern is the possib-

ility that the two separate authorities (the Nansen Office and the Commissioner for German Refugees), which have so far operated under many difficulties and with less and less practical success, might undergo revival, which would give rise to the danger that the German *émigrés* might play a leading part by reason of their drive and intelligence.

But whatever conclusion we may reach after considering the advantages and disadvantages of the new organization, it will hardly be possible for Germany, despite Mr. MacDonald's enquiry, decisively to influence the setting up of the new organization. A majority in the League of Nations may be expected to vote in its favour. It is understood that statements in this sense (France, Britain) are already to hand. Mr. MacDonald's recent efforts have also been bent towards this end, as were the petitions by the international relief organizations referred to above, which exert considerable influence through their branches in the various countries.

In the opinion of the Foreign Ministry there can, for various reasons, be no question of informing Mr. MacDonald that Germany's attitude to his efforts is unfavourable. On the other hand there is no reason why Germany should declare her approval.

Consequently, and provided the departments concerned have raised no objections by September 5, the Foreign Ministry will instruct the German Consulate in Geneva to inform Mr. MacDonald that, after detailed study of the question raised by him, the German Government can find no grounds for adopting either a positive or a negative attitude to this matter.¹²

Should it be considered necessary to discuss this matter, the Foreign Ministry are prepared to convene a meeting for this purpose.

By order:

GAUS

¹² Under cover of instructions dated Sept. 4 and despatched Sept. 6 (8777/E611848), a copy of the document here printed was sent to the Consulate in Geneva, with instructions to inform MacDonald in the sense of the penultimate paragraph. In telegram No. 63 of Sept. 10 (8777/E611874) Krauel reported that he had that day spoken to MacDonald; Krauel also recommended a scheme providing for the complete transfer of all refugee questions to the Nansen Office. In telegram No. 41 of Sept. 12 (8777/E611877) the Foreign Ministry agreed that this solution was preferable to the setting up of a new central organization under the League of Nations.

On Sept. 21 the Sixteenth Assembly of the League of Nations recommended that a small committee of experts should examine the whole question (see League of Nations: *Official Journal*, special supplement No. 143, *passim*); this Committee on International Assistance to Refugees submitted its report on Jan. 20, 1936 (see League of Nations: *Official Journal*, Feb. 1936, pp. 126-129 and 142-159), and it was decided to refer the report as a whole to the Assembly, the Council confining itself to certain provisional measures relating to the Nansen Office and to refugees coming from Germany.

No. 277

7826/E568059-62

Memorandum by the State Secretary

BERLIN, August 29, 1935.

II It. 1326.

The French Ambassador called on me today to communicate the draft of a Danubian Pact¹ on the instructions of his Government. The draft corresponds to the memorandum previously handed unofficially by Suvich to Herr von Hassell,² except that it lacks Paragraph 3 of Article 3, the wording of which has been attributed to Beneš, and it thus corresponds to the document which the Italian Ambassador left with me privately this morning.³ In his comments on it the French Ambassador stressed that Germany was very sensitive and often objected that she was being confronted with *faits accomplis*. For this reason he wished to emphasize that the present document was a draft, no more than a summary of the position reached in the Franco-Italian discussions, which was open to any modification. This draft was intended to form a basis for the discussion on the programme for a future conference, to which we should, of course, be invited. His Government sincerely hoped that we would accept the invitation when the time came. When commenting on individual points, the Ambassador emphasized that the obligation of non-intervention was restricted in several contexts to the use of force and thus allowed a sufficient margin of safety against unjustified complaints. Point 4 corresponded to the German suggestion made in connection with the discussions on the Eastern Pact (non-support of the aggressor).⁴ The Ambassador made these statements apparently on instructions which he had received. In the course of some remarks, which were very personal in tone, he stated that the French Government, and very particularly Minister President Laval, had in mind a better understanding with Germany. In the present situation, however, negotiations between the two countries were not a practical possibility, if only because they would arouse the mistrust of all other countries. Within the framework of multilateral discussions, however, such as for instance a Danubian Conference, a considerable *rapprochement* between Germany and France would be relatively easy

¹ Not printed (7826/E568063-64); see also document No. 280.

² See document No. 249 and footnote 2; for the text of the memorandum see document No. 253, enclosure.

³ According to a memorandum by Bülow of Aug. 29, 1935 (2784/540418), the Italian Ambassador had called earlier to hand over unofficially a draft identical with the one officially communicated by the French Ambassador, and had said that the omission of Paragraph 3 of Article 3 of the previous French draft was due to Italian intervention.

⁴ See document No. 29.

to achieve. But unfortunately there existed in Germany a regrettable prejudice against collective treaties. Admittedly the Führer and Chancellor in his latest speech had not absolutely rejected collective agreements, but all negotiations on the suggested pacts had been unduly protracted by us under every possible pretext. The result of this was considerable prejudice against Germany and the suspicion that Germany was trying only to gain time in order to build up her military strength and then to attack other States. The greater part of this suspicion could be relatively easily removed by collective negotiations and for this the Danubian Pact was perhaps more suitable than any other project, since no sacrifice of any sort was being asked of Germany, the Russians were not being invited to join the Pact, and the points to be discussed all accorded with statements made by the Führer and Chancellor on a wide variety of occasions in the past. He, the Ambassador, could understand our rejecting collective negotiations and membership of the League of Nations as long as we did not possess equality of rights. But our equality of rights having now been established, the other countries could not see what reasons of fact or prestige we had for refusing to sit round a table with the other Powers.

I told the Ambassador that I should have to reserve my opinion on the various points of the draft. The essence of the proposal was already known to us through oral statements by the Italian State Secretary, Suvich, but the wording would still have to be closely studied. I could see technical difficulties arising from Article 5, which was intended to define the rôle of the League of Nations. This of course involved complications for us, who did not belong to the League of Nations. Furthermore, difficulties might easily arise from the last Article, which dealt with the possibility of supplementary agreements, for we had grown suspicious as a result of our experiences with the Eastern Pact and we could not, of course, permit the existence of supplementary agreements which in any way altered the nature of the agreement to which we were a party. As far as our attitude to collective agreements was concerned, I could only confirm to him that the Führer and Chancellor did not reject these in principle. We could not help observing, however, that the system of collective agreements existing hitherto had broken down everywhere. The Washington Treaty on China,⁵ the Covenant of the League of Nations, the Memel Convention⁶ with its system of guarantees, the treaties on Abyssinia and the Kellogg Pact⁷ had all proved ineffectual. If we hesitated to enter into fresh collective agreements, it was not the collective nature of the agreements which we distrusted but rather the methods which had hitherto been used and which had proved to be

⁵ See document No. 235, footnote 8.

⁶ See document No. 13, footnote 3.

⁷ See document No. 235, footnote 7.

ineffectual. We could hardly be expected to accede to agreements of a type which was out of date and discredited.

I then asked the Ambassador, pointing out to him the ambiguities which existed in this respect in the Eastern Pact, whether, in the case of the Danubian Pact, France intended to participate or not. The Ambassador said at first that he could not answer this question, but then assured me (not entirely credibly) that he certainly believed his Government intended, and were prepared, to enter into the obligations contained in the Danubian Pact.

This was followed by a short discussion of the same problem in the context of the Eastern Pact, when I explained to the Ambassador that treaties must be based on mutual confidence, and that negative obligations could not be placed under the guarantee of third parties.⁸

BÜLOW

⁸ Marginal notes: (i) "[For the] R[eich] C[hancellor]. v. N[eurath], Aug. 31." (ii) "The Reich Chancellor is informed. L[ammers], Sept. 5."

No. 278

8017/E576880-87

The Chargé d'Affaires in Great Britain to the Foreign Ministry

A 2926

LONDON, August 29, 1935.

Received August 31.

III O 3877.

Subject: The British attitude to the Italo-Abyssinian conflict before the beginning of the Council meeting at Geneva.

With reference to my airgram No. 184 of August 23, 1935.¹

In the last few days all political interest has naturally been concentrated more and more on the session of the League of Nations Council which begins on September 4 and for which Eden, the Minister for League of Nations Affairs, is to leave for Geneva as early as next Monday,² in order to have an opportunity of establishing contact with the other Powers represented on the Council a few days before the meetings begin. According to the reports available at present, the Foreign Secretary, Sir Samuel Hoare, will probably go to Geneva on September 9 in order to take part in the opening of the League of Nations Assembly and then also to participate personally in the Council meetings that are to take place at the same time.

At the present stage it is not easy to acquire an accurate picture of the probable further development of the Italo-Abyssinian conflict. The British press is full of suppositions about the attitude of the individual Governments, and the information which has come direct

¹ See document No. 270, footnote 1.

² i.e., Sept. 2.

to the Embassy is also far from consistent. The explanation of this fact is that the Anglo-French preliminary discussions do not appear to have led so far to any agreement³ as to a policy to be jointly pursued in Geneva; the attitude of the other Council Powers is also not certain and the British Government themselves, apart from the decision, taken at the last meeting of the Cabinet,¹ to advocate at all costs a strict observance of the League of Nations Covenant, have not yet decided in detail what tactics shall be pursued at Geneva, since the attitude to be adopted there will depend on a number of factors which, today, cannot as yet be wholly perceived.

From the information that has reached me in the last few days, I would first like to repeat a fairly concise account from an informant who has excellent relations with the Foreign Office.

The person concerned stated that the British Government were firmly resolved at all costs to prevent an Italian conquest of Abyssinia. Eden had been sent to Paris with a very far-reaching and precise offer which would have meant giving Italy absolute economic predominance in Abyssinia. The Government had been prepared to go as far as this but no further, and this offer represented the maximum of British concessions. Britain would not permit a military conquest of Abyssinia by Italy, with the resultant loss of Abyssinian independence. Three motives determined this principle. First, a war against Abyssinia, such as Italy was planning, in disregard of all League of Nations principles, would mean the final collapse of the Geneva organization. Secondly, Italy would, in addition, be guilty of a breach of all other international treaties, such as the Kellogg Pact,⁴ the Three Power Agreement over Abyssinia of 1906,⁵ and so on, and would thus throw overboard the whole system of international treaties. Thirdly, an Italian conquest of Abyssinia would affect certain direct vital interests of the British Empire and for this reason Britain would not permit it.

At the moment, the Foreign Office were very actively engaged in exchanging views with a number of League of Nations States whom they took to be ready to share the attitude which Britain intended to adopt in Geneva. In particular, these were the Scandinavian countries, the States of the Little Entente, Greece and Turkey. The Government presupposed that, even if the Council's report were not

³ The Three Power Conference between France, Britain and Italy which was held on Aug. 16-18 (see document No. 269, footnote 1), was preceded by preliminary Anglo-French conversations in Paris on Aug. 13-15. Bismarck commented on the breakdown of the Three Power discussions in report A 2908 of Aug. 21 (8015/E576150-53), as did also the Ambassador in Paris in his report A 3982 of Aug. 26 (8019/E577087-94). Eden gave a summary of the Anglo-French proposals, which were rejected by Italy, in his report to the League Council on Sept. 4 (see League of Nations: *Official Journal*, November 1935, pp. 1133-1134).

⁴ See document No. 235, footnote 7.

⁵ For the text of the Agreement between Great Britain, France and Italy respecting Abyssinia, signed at London, Dec. 13, 1906, see *B.F.S.P.*, vol. 99, pp. 486-490.

unanimously adopted, they would have the right, under Article 15,⁶ to conduct a joint policy against Italy with the above-mentioned members. At any rate, now that the Cabinet had again proclaimed their allegiance to the League of Nations, they were determined to pursue an energetic policy in Geneva, since a British defeat in the League would mean a loss of prestige for Britain which the British Empire, by reason of its general position, neither could nor wished to afford.

Mussolini was regarded as a megalomaniac and people were convinced that his enterprise must end in failure. Italy's financial situation was extremely strained and, in the long run, a far-reaching credit embargo by Britain and America and the cessation of certain supplies of raw materials would in themselves make it impossible for Mussolini to realize his plans. Moreover, the possibility of closing the Suez Canal was also not to be rejected out of hand and its legal aspects, at any rate, had already been investigated in detail by the legal advisers of the Crown.

As regards the imperialist consideration mentioned as the third point above, Britain could not, on account of her coloured races and of India in particular, afford to set, by tacit permission as it were, her seal of approval on an Italian campaign of conquest against Abyssinia. On the contrary, the Government were deliberately counting on the favourable reaction which the British opposition to the Italian enterprise would call forth in India. It was also perfectly well known in London that the Italians were striving in every possible way to increase their influence in Egypt and were laying out vast sums in bribes for this purpose.

With regard to the repercussions in Europe of the present situation, my informant stated that the Foreign Office were still hoping to win over the French to the British point of view, and that the argument was even being used, *vis-à-vis* the French, that if they did not wish to cooperate, there were also combinations with other Powers in Europe (by which Germany was meant). Anyhow it was a fact that when Laval, in the recent Paris discussions, had tried to gain support from Eden over the question of the Danubian Pact, the latter had said that Britain had no interest in the realization of the Danubian Pact as long as Italy did not give way over the Abyssinian conflict.

My informant concluded his remarks with an indication that, according to his impression, the British Cabinet, in complete agreement with the Opposition parties and the Dominions, had decided upon a course from which they would not deviate.

⁶ The relevant paragraph of Article 15 of the League Covenant reads: "If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice."

Since, in view of my informant's good contacts in official circles, there can be no doubt that the above statements, which do indeed stem from various sources, have been faithfully repeated, we cannot but perceive in them at any rate *one* of the prevailing currents here. Only today, one of our best-informed correspondents here confirmed to me that, when he called at the Foreign Office this morning, he was surprised by the stiff attitude towards Italy that was being displayed there.

When the above remarks by my informant are considered in detail, viewed, as it were, with a critical eye, and are compared with other pieces of information that have reached me, it seems for the moment doubtful whether Britain is really determined to prevent an Italian conquest of Abyssinia by all the measures which, like the closing of the Suez Canal, for example, would, according to what Mussolini has said, mean war for him. It is still thought possible that, under the impact of an anti-Italian front in Geneva, which it is hoped will be as solid as possible, Mussolini, after an initial military success, such as a victorious battle at Adowa,⁷ for example, will be inclined to enter into an agreement with Britain and France on the basis of the Paris proposals.³

As regards my informant's remarks about the British attitude in Geneva, I have already pointed out above that the path to be finally followed will probably be decided upon only in Geneva itself. In the discussions there it will not yet be possible, at any rate for the present, to brand Italy as an aggressor, and, in view of Mussolini's expressed intention⁸ of turning the tables, as it were, and assuming the rôle of plaintiff against Abyssinia in Geneva, a long-drawn-out debate, possibly until the end of September, is thought to be very possible.

Turning, finally, to the third consideration that is decisive for Britain, the imperialist one, I have already pointed out in my telegram under reference that in the last few days this factor in the Italo-Abyssinian conflict has come very much to the fore in the British assessment of the whole of Italian policy. It has continued to play a considerable part in the press in the last few days, and I would draw attention in particular to Garvin's article in *The Observer* of Sunday, August 25, which is worthy of note in this connection and which directly attributes the aggravation of the Abyssinian crisis to the neglect of British defences. There is no doubt at all that people are beginning to see clearly (in responsible circles here they have no doubt done so for some time, but among the public here it is only happening

⁷ Marginal note in Bülow's handwriting: "The Abyssinians will not defend Adowa!" Adowa was the scene of an Italian defeat by Abyssinian forces in 1896.

⁸ The official communiqué issued after the special Cabinet meeting in Bolzano on Aug. 28 announced that Italy's case against Abyssinia would be laid before the League Council on Sept. 4. For the text of the Italian memorandum stating the case, see League of Nations: *Official Journal*, November 1935, pp. 1355-1416.

now and gradually) that Mussolini's far-reaching aims in foreign policy in East Africa represent a serious threat to the vital interests of the British Empire, particularly since there are held to be certain signs that Mussolini will not be content with the conquest of Abyssinia but will try to extend his influence to Egypt and, indeed, to the Sudan. Yesterday, as if at a word of command, the British press, in telegrams from Cairo and editorial comment at home, printed news about extremely active Italian agitation in Egypt. Mussolini's statement in the Cabinet meeting in Bolzano,⁹ which was published today, that Britain need have no fear of Italy's Abyssinia policy, since it collides neither directly nor indirectly with British imperial interests, will not prevent Britain's being on her guard in every way. The conquest of Abyssinia by Mussolini may or may not already be considered in London to be incompatible with British imperial interests, but at any rate it is believed that sooner or later the new Italian imperialism must somewhere clash with vital British interests and therefore there is already being prophesied for Mussolini and Fascist Italy a fate similar to that of those Powers who, in the course of past centuries, have made Britain their enemy.

BISMARCK

⁹ See footnote 8 above.

No. 279

5560/E396410

Memorandum by the State Secretary

BERLIN, August 30, 1935.
e.o. II M 1995.

Notes for a telephone conversation with the Foreign Minister.

The law on the import and export of war material which was agreed upon by the departments concerned and which is intended to take the place of the obsolete Law on War Material of 1927,¹ arrived here today for signature after having been signed by the Reich War Minister.² We have, however, reservations about the promulgation of the law at the present time. The international political situation has considerably altered since the Foreign Ministry signified its approval of the law.³ The Italo-Abyssinian conflict appears to be just about to break out and we must reckon with the possibility of serious repercussions. It would not be advisable to publish at this time a law which expressly refers to governmental responsibility for the export-

¹ See document No. 116, footnote 1.

² A letter from the Reich War Ministry of Aug. 29, II M 1992 (5560/E396397), stated that as no Reich Minister had objected to the proposed law it was to be regarded as approved and requested that the law be now signed.

³ See document No. 168, footnote 4.

of war material. It is therefore for consideration whether a request should be made for the postponement of the promulgation of the law for a short period, but in any case until after the conclusion of the meeting of the League of Nations Assembly in Geneva. If the Italo-Abyssinian conflict breaks out, the promulgation of the law could possibly take place at the same time as a German declaration of neutrality.⁴

Approval or instructions are requested.⁵

B[ÜLOW]

⁴ See also document No. 351 and footnote 2 thereto.

⁵ No record of this telephone conversation has been found. A marginal note to the document here printed reads: "The Reich War Ministry has been informed accordingly under zu II M 1992. To be filed. Schm[ieden], Sept. 2." Bülow's letter to Blomberg of Aug. 30 (5560/E396400-02) proposed that the promulgation of the law be postponed at least until the beginning of October but stated he would see no objections to the immediate application of the provisions of the new law. A letter from Lammers of Sept. 6 (5560/E396411) stated that Hitler had approved the postponement on the previous day. In a communication of Sept. 16 (5560/E396421-22) the Reich War Ministry also expressed agreement with the postponement, but requested that the law be duly signed so as to avoid any delay in its eventual promulgation. The law was signed by Hitler in Munich on Sept. 24 (5560/E396424-27). See also document No. 395.

No. 280

7826/E568072-75

State Secretary Bülow to Foreign Minister Neurath

BERLIN, August 31, 1935.

[II] It. 1330.

DEAR HERR VON NEURATH: You will have seen from my memoranda on the *démarches* made by the Italian and the French Ambassadors on August 29¹ that we shall once more have to turn our attention to the Danubian Pact. With regard to my two memoranda, I should first like to add that Ambassador Attolico has subsequently informed us by letter² that we should now consider his *démarche*, first made unofficially, as official. We are therefore now faced with concerted action by the French and Italian Governments.³

The new draft treaty handed to me differs from the text which had been communicated to us confidentially in July from Rome and Budapest⁴ only in so far as Paragraph 3 of Article 3, to which Italy then took exception, has now been dropped; this was the provision, whose meaning was decidedly obscure, that Parties to the Treaty should not be bound by the Danubian Pact to maintain diplomatic,

¹ See document No. 277 and footnote 3 thereto.

² Of Aug. 29; not printed (7826/E568065).

³ In memoranda of Sept. 5 (7826/E568086-88, 89-90), recording conversations with the French and Italian Ambassadors, Bülow noted that they had communicated fresh copies of the draft, in which Paragraph 3 of Article 3 was reinstated. The French Ambassador had stated that he had previously misinterpreted his instructions; the Italian Ambassador had made no comment.

⁴ See document No. 253, enclosure.

economic or any other relations amongst themselves which by international law were reserved for their own discretion. Memorandum No. II It. 1179 of August 5⁵—another copy of which I am enclosing in case it might be needed—therefore still applies to any evaluation of the new draft. Only the passage referring to Paragraph 3 of Article 3, which has now been deleted (page 1, last paragraph, of the memorandum), is now irrelevant.

I find it most significant that the Italians and French should have chosen this particular moment to approach us once more about the Pact. This, surely, is connected with the political situation created by the Italo-Abyssinian conflict. It is obvious that this is not merely a diversionary tactic, but that it is now proposed to try to create a safeguard against disturbances of any sort in Central Europe in the event of a war between Italy and Abyssinia. The others have obviously begun to feel somewhat uneasy about Germany's attitude. It is probable that our reaction to the new *démarche* will be closely observed so that conclusions may be drawn from it as to what our attitude might be in the event of an Italo-Abyssinian war. If our attitude were negative this might perhaps be used by France and Britain in order to put pressure on Italy by pointing out the dangers in Central Europe.

Nevertheless I believe we have no reason to depart from the attitude which we have adopted lately towards all treaty questions. We should take the line, as I have already done in my conversations, that we are unable to deal with the Pact questions, including the Danubian Pact, before the beginning of October.

Here I should like to raise another point, namely whether, in view of the failure of the *collective* method of securing peace, which is gradually becoming more and more apparent, it would not be advisable to suggest to the Führer and Chancellor that on the occasion of the Party Rally in Nuremberg⁶ he might say a few general words, within the framework of his foreign policy statement, about this *Götterdämmerung* [Twilight of the Gods] of the collective pacts. This might very well be done by following up the ideas contained in the Führer's last big speech.⁷ We might have to advise against expressing a definite opinion on the Italo-Abyssinian conflict. On the other hand, it would perhaps be useful if the Führer and Chancellor were also to make clear that it should not be concluded from our distrust of collective pacts that we rejected all international cooperation altogether, but that, on the contrary, we continued to be willing to take part in such cooperation, for which, however, we wished to find a more natural and effective form.

⁵ Document No. 249.

⁶ Held Sept. 10-16, 1935.

⁷ See Editors' Note, p. 171.

The Führer and Chancellor has not yet received the text of the new draft treaty. Copies are enclosed.

With best wishes,

Yours, etc.,

VON BÜLOW

No. 281

3617/801761-62

The Foreign Minister to the Führer and Chancellor

LEINFELDEN A. ENZ, September 2, 1935.

Rk. 7339.

MY DEAR REICH CHANCELLOR: The Italian and French Ambassadors in Berlin have recently made fresh *démarches* concerning the Danubian Pact. Both Ambassadors have communicated a preliminary draft on behalf of their Governments, a translation of which I am enclosing.¹ This new outline of a Danubian Pact differs from the one communicated to us in January² in that the obligation to afford mutual assistance has been dropped and instead non-support of any violator of the treaty has been inserted in Article 4. Furthermore, an explicit non-aggression obligation has been included in Article 2.

I wish, for the time being, to continue to refrain from expressing an opinion on this new draft. The object of the Powers in taking this new step may be assumed to be the creation of safeguards against disturbances of any sort in Central Europe, in the event of a war between Italy and Abyssinia.³ France and Britain may, perhaps, also intend, in the event of a negative attitude on Germany's part towards the pact, to put pressure on Italy by pointing out the dangers in Central Europe.

I am still of the opinion that we have no reason to depart from the attitude which we have in fact adopted in all pact questions, i.e., that we should take the line, as hitherto, that we are unable to deal with the pact questions before mid-October.

In this connection, however, may I suggest that at the Party Rally in Nuremberg you should, within the framework of your statements on foreign policy, say a few general words about the *Götterdämmerung* [Twilight of the Gods] of the collective pacts. This would appear to be very appropriate in view of the failure of the collective method of securing peace, which is becoming increasingly obvious, and it might very well be done by following up the ideas contained in your last big speech of May 21.⁴ It would not be advisable to express a definite opinion on the Italo-Abyssinian conflict. On the other hand, it might in this connection be made clear that it should not be concluded

¹ Not printed (3617/801763-64). This draft is identical with that printed as enclosure to document No. 253, except for the divergencies noted in document No. 277.

² See vol. III of this Series, documents Nos. 408, 409 and 489.

³ See also document No. 280.

⁴ See Editors' Note, p. 171.

from our distrust of collective pacts that we reject all international cooperation altogether, but that, on the contrary, we should continue to be willing to take part in such cooperation, for which, however, we wish to find a more natural and effective form.

By a general statement of this kind we can effectively prepare the ground for the unavoidable discussion of the pacts in October and at the same time counteract the attempts which are constantly being made to use us as a lightning conductor in the gathering storm.

Since I do not know whether you will have time to see me before the Party Rally, I do not wish to fail to keep you informed of the latest development in the pact proposals.⁵

With the German greeting,

Yours, etc.,

FREIHERR VON NEURATH

⁵ According to a minute by Meerwald, dated Sept. 7 (3617/801765), the originals of the document here printed and of its enclosure were sent that day to Brückner in Munich for submission to the Führer and Chancellor.

No. 282

4619/E198178-79

Foreign Minister Neurath to State Secretary Bülow

LEINFELDEN A. ENZ, [September 2, 1935].

DEAR BÜLOW: Many thanks for your letter of August 31.¹ I am enclosing a copy of a letter which I am sending to the Führer today² and from which you will see that I completely share your opinion as to our attitude in the pact question and that in my letter to the Führer I have to a large extent made use of your views regarding our tactics.

Presumably the British too will, in the next few days, make another attempt to exert pressure. But all this must not deflect us from abiding by the attitude we have adopted. Even if they should threaten to conclude the Danubian Pact without us, this will not frighten us. In the face of such a threat we should simply declare that in that case we should not accede to the Pact at all. In view of the attitude of the Little Entente to the Danubian Pact, I do not in any case believe that this work will be completed all that quickly. Even if we were to enter into negotiations on the Danubian Pact, in which case we should after all have clearly to state our misgivings about various points, the distrust in which we are held would be in no wise reduced, but, on the other hand, every critical or negative statement of ours would be used to demonstrate yet again our malice and to brand us once more as the disturbers of European peace.

With best wishes,

Yours,

NEURATH

¹ Document No. 280.

² Document No. 281.

No. 283

8016/E576597-98

Unsigned Memorandum

[BERLIN,] September 3, 1935.

III O 5086.

For Herr Ulrich.

You are requested to undertake, together with Departments V and II, a preliminary investigation, restricted to a very small circle, of the question of what Germany should do in relation to Italy in the event of an economic blockade (raw materials, food, finance, shipping).

In this connection, three general or political considerations should first be borne in mind:

a) We must try to avoid taking inevitable measures only when political pressure is applied by Britain, the United States, etc. It may possibly be preferable for us to take such measures on our own initiative.

b) Possible measures must also be examined in the light of our own essential raw material requirements.

c) At the same time we must not forget to consider the possibility of increasing our exports to Italy, perhaps even, in part, against foreign exchange.

For the preparation of any such decisions it will in the first place be necessary to determine statistically which goods would probably be subjected to a possible blockade. For this purpose Italy's own output of raw materials, foods and feeding stuffs must be ascertained, and also Italy's import requirements hitherto. Thus, where raw materials are concerned, a *Nickel List*, so to speak, should be drawn up, and, as regards foods and feeding stuffs, an *Oilcake List*. Work on this problem must, for the present, be confined to the Foreign Ministry. I do not wish the Ministry of Economics or the Ministry of Food and Agriculture to be consulted. Perhaps, at the most, Gräwell¹ could be called in, unofficially, to take part in the statistical calculations.

It should perhaps be considered whether, possibly even before the blockading Powers approach us, we should, on our own initiative, impose a general prohibition on exporting goods which might fall under a possible blockade. In such a case we should, by means of autonomous export licences, be in a better position to conduct business in accordance with our own interests.²

¹ Of the Reich Office of Statistics.

² Attached to this memorandum is the following minute (8016/E576599): "Herewith to Herr Benzler, Herr Baer and Herr Clodius. I should like to discuss the attached with you and Herr Ulrich on Saturday [i.e., Sept. 7] at 11 a.m. R[itter], Berlin, Sept. 4, 1935." This minute bears a handwritten marginal note: "Herr Clodius has been put in charge of this matter. B[aer], Sept. 14."

No. 284

9250/E654169

Reichsbankdirektor Hülse to the Foreign Ministry

CONFIDENTIAL

No. I 11666

BERLIN, September 3, 1935.

Received September 4.

W 9379.

For the attention of Ministerialdirektor Ritter.

As agreed, I enclose for your information a copy of a letter of July 26, 1935,¹ from the President of the Reichsbank to Mr. Lamont² as well as copies of two memoranda³ which were exchanged in connection with the conversation.⁴

Heil Hitler!

HÜLSE

9250/E654175-80

[Enclosure 1]

11th July, 1935.

*MEMORANDUM FOR DR. SCHACHT*⁵

1. In considering the matter of the current default upon the American Tranche of the Dawes and Young Loans,⁶ I want to emphasize first, the damage that has been done to Germany's standing and credit in the United States by the discrimination against American holders of Dawes and Young Bonds; and second, the necessity of curing that discrimination not merely as the first step in restoring Germany to a position of any credit in America but as a condition of a return to normal commercial relation with the United States. These points have been expressed repeatedly in the Notes which our Government has sent to the German Government in the past year or so, but

¹ Printed as enclosure 2 below.

² Thomas W. Lamont, a member of the firm of J. P. Morgan & Co., New York.

³ The memorandum presented to Schacht is printed as enclosure 1 below. The third enclosure transmitted by Hülse (not printed, 9250/E654173-74) is a copy of an undated and unsigned letter to Lamont headed "Baden-Baden", which has a marginal note in an unidentified handwriting "drafted by Lamont", and appears to be an earlier letter from Schacht to Lamont than that of July 26 (enclosure 2 below). No further enclosures have been found.

⁴ Evidently the conversation between Schacht and Lamont at Baden-Baden; see enclosure 2. No further record of this conversation has been found.

⁵ This memorandum is in English in the original.

⁶ Germany had offered to make payments on the coupons of the Dawes and Young Loans which fell due on Apr. 15 and June 1 respectively in *Registermark* only. J. P. Morgan & Co. had sent telegrams to the Reich Finance Ministry on May 29 (9250/E654124) and June 3 (M82/M002972) protesting against the failure to service in full the American tranche of the Young Loan falling due on June 1 and the resultant discrimination against American bondholders. The Reich Finance Ministry forwarded copies of these telegrams to the Foreign Ministry under cover of a letter of June 6 (9250/E654123) which stated that it was not intended to make a reply. See also *Foreign Relations of the United States, 1935*, vol. II, p. 428, for the default on the payments due on Apr. 15.

there are reasons to believe that in their delivery in Berlin the State Department Notes have been so watered down as to impair if not to destroy their effect. The attitude of the Ambassador⁷ may have been another factor in this direction.

2. Dr. Schacht is the one man capable of rising to the occasion and of leading his country out of the wilderness of debt default and discrimination. It is possible that the German attitude and thought has been that by stopping purchases of American cotton⁸ they could bring the American Government to heel, or that under the New Deal the right of American investors in loans sponsored by American bankers could be disregarded with impunity. On the other hand it should be clear that, with the defaults on these loans and the discrimination against the American investors, German credit in America has sunk to the vanishing point, so low in fact that in purchasing essential raw materials here Germans are required to pay cash down in advance of delivery. German foreign trade is shrinking under the influence of present policy, and the very system of quotas and clearing agreements, under which in effect all other tranches of the Dawes and Young loans have been served in full, has tended to subsidise unwanted imports from countries to which Germany sells and to reduce foreign trade generally to the level of barter.

3. While disregarding the American part of the external obligation of the German Government the authorities maintain the fiction of the gold mark, in so doing taking the life out of their foreign trade and keeping German prices on a level so high as to prevent their exports from moving in world markets. They have entirely failed to impress America by cutting off essential imports of raw materials that Germany would naturally take from this country. And though they have in this way achieved this year a favourable balance in trade with America they have not yet seen fit to fulfil the logical implications of such policy by making this surplus available to American investors in the Dawes and Young Loans.

4. The Department of State has had difficulty in expressing the extent of their indignation over the policy which the Germans have followed towards this country and in particular towards American investors in the Dawes and Young Loans. In addition, as intimated

⁷ William E. Dodd, United States Ambassador in Germany.

⁸ German imports of cotton from the United States fell from 72.7 per cent of Germany's total imports of cotton in 1933 to 56.1 per cent in 1934 (see United States Tariff Commission: *Foreign Trade and Exchange Controls in Germany* (Washington: Government Printing Office, 1942), Ch. 8). For German policy regarding the purchase of raw materials see vol. III of this Series, document No. 316. In a letter to the Foreign Ministry of Nov. 10, 1934 (M85/M003062-64), the Reich Ministry of Economics stated that Germany was prepared to purchase American cotton in such quantities as was rendered possible through additional German exports to the United States. For the inconclusive negotiations on a transaction of this nature see *The Memoirs of Cordell Hull* (New York, 1948), vol. I, pp. 371-375. Material on this topic had been filmed on Serials 5649, M84 and M85.

in the formal Notes and Protests that have been published the Secretary of State has repeatedly stated his position to the German Ambassador⁹ here in terms which may or may not have been accurately reported to Berlin. The position, as we understand it, is that the United States Government can only deal with the German Government on its traditional basis of equality of treatment [,] that the German Government by its unjust and arbitrary discriminations against American interests which have led to widespread dissatisfaction and even resentment in this country, has cast grave doubts on the value of its plighted word no matter how solemnly given, and that unless and until the German Government gives concrete evidence of its good faith by curing these discriminations and restoring equality of treatment it is impossible to have full negotiations on subjects which presuppose a basis of mutual confidence and respect such as a reciprocal commercial treaty must command.¹⁰ This position while negative in form manifestly carries affirmative implications of a willingness to negotiate if the essential condition is met.

5. One specific point, however, the Secretary of State has always been careful to make clear, so as to avoid any possibility of any misunderstanding, namely that this country could not in any commercial treaty negotiations undertake to absorb any given quantity of German exports, and that the whole question of the volume of business that might take place under a commercial treaty would have to be left to the free course of dealings between the two countries. Toward the end of June, as I understand it, the State Department despatched two further Notes¹¹ to Berlin on these and related questions, and Dr. Schacht will undoubtedly be fully acquainted with their contents by this time. In the meantime the latest statement available is in a letter dated 8th July, 1935, just received from the Secretary of State which reads as follows:

"This Government on 28th June, 1935, replying to communications received from the German Government again took occasion to ask that Government to do its utmost to fulfil the obligations which German debtors had voluntarily undertaken to American investors and called attention to the substantial and injurious discrimination to which American investors in German securities have become subject.

I need hardly reiterate that it is my conviction that an inescapable obligation rests upon the German Government to exert itself to meet the service on these loans without discrimination. I do

⁹ Hans Luther.

¹⁰ For German efforts to enter into negotiations on a reciprocal trade agreement see *Foreign Relations of the United States, 1935*, vol. II, pp. 441-442, 444-445, 448-451; for the American attitude see *ibid.*, pp. 452-456.

¹¹ See document No. 264, footnote 3.

not feel that the observance of this obligation can be made dependent upon special bargaining concession in the limited field of bilateral trade between the United States and Germany.

While this Department's representations to Germany are directed toward the safeguarding of American interests against discriminatory treatment they are also following the long established policy of insistence upon the direct contractual relations between foreign borrowers and American investors and the propriety of direct discussion between them looking toward satisfactory adjustment of these matters."

On the general question of commercial negotiations it is interesting to note that negotiations for a commercial treaty with France¹² are actively going on now in Washington, with apparently good prospect of a favourable outcome.

6. Ther[e] will come a time, and perhaps sooner rather than later, when in Germany's own interests Dr. Schacht must seek a way out of the present impasse. With the previous important contacts that I have had with Dr. Schacht (negotiation of the Dawes Loan in London in 1924 and Young Plan discussions in Paris in 1929) I cannot but believe that Dr. Schacht must feel the growing need to break the shackles of the system of quotas and clearing agreements which now surround Germany, and he might make a really effective attack on the whole system by returning voluntarily to the regular service of the Dawes and Young Loans through the Trustees, be it noted with very little cost to Germany as compared with what is now taken from him under clearing agreements, and with great benefit to Germany's self respect and international standing. Certainly the present system of forced contributions levied on Germany under clearing agreements is one beneath the dignity of a great nation, and it should appeal to one of Dr. Schacht's character and independence to take this step toward reasserting Germany's freedom of action and re-establishing the good name of the German Government on its international obligations.

7. Finally, it should by no means be considered that the situation in America has gone so far that it is irremediable as to questions of credit. The American bankers who have been chiefly concerned in those two loans to the German Government are only too desirous that the present feeling of resentment against discrimination, as felt in the American investment community, should be swept away and, through fair and constructive action by the German Government, should be restored to the basis of confidence and co-operation as it existed between the German and American peoples twenty years ago.

¹² For these negotiations see *Foreign Relations of the United States, 1935*, vol. II, pp. 211-237.

9250/E654170-72

[Enclosure 2]¹³

July 26, 1935.

Dear Mr. Lamont!

When we met in Baden-Baden you handed a memorandum¹⁴ over to me containing the American point of view about the present financial and commercial aspect between the United States and Germany. Whilst fully recognizing the unfortunate position in which the American bondholders have been brought through the default of especially the Dawes and Young loans, and whilst fully appreciating the American feelings thereabout I myself have outlined to you, how greatly the German feeling must be affected by the reiterated statement from various American sides as to Germany's willful default and intended discrimination against the American bondholders. I gave you a memorandum¹⁵ which wanted to make clear that the German default is not willful but resulting from circumstances which have been and which are beyond our control, and furtheron that it is not Germany who discriminates against the American bondholders but that this discrimination has been effected by the other creditor countries which have forced upon us the various clearings.

I need not repeat how much my Government regrets to be obliged to suspend the Dollar remittances especially on the two loans mentioned. I further beg to say that it has never come into the mind of my Government to repudiate any of our loan obligations either now or hereafter.

When we discussed the situation in Baden-Baden I emphasized that my Government would be willing to give every possible evidence of good faith and endeavour. You confirmed to me that if any such evidence could be given this would have a fortunate effect not only upon the American investors but also upon your authorities. After our conversation I have therefore studied all the possibilities which may enable my Government to show to the United States that every honest endeavour is made on the German side and that the most earnest intention prevails to satisfy the American investors as far as possible. I have not yet been able to outline the details of a plan which has come into my mind, but as you are intending to leave Europe I would like to inform you already to-day that I hope and intend to outline a plan by which the American investor of the Dawes and the Young Loan will be enabled to receive until further notice 5% on the Dawes and 4% on the Young Loan Coupons in cash instead of their now getting effective 4.2% and 3.2% respectively by selling the Coupons at about 60% of their face-value as Tourist's marks.

¹³ This letter is in English in the original.

¹⁴ The document printed as enclosure 1 above.

¹⁵ Not found; see footnote 3 above.

As for the amortisation, I understand from our conversation that for the time being you deem it inexpedient to undertake any refunding for these amounts, although I am prepared to submit some arrangement at a suitable time for a five-years refunding of the amortisation funds. I fully recognize your point that as to endeavouring at this moment to advocate any plan whereby the American investor shall be asked to waive permanent rights is inexpedient, but frankly I look forward to the time when I can discuss with the representatives of all the several branches of the Dawes and Young Loan some arrangement that will reduce for my Government the volume of current payments.

Will you please, dear Mr. Lamont, accept this letter as an informal announcement of what I am planning to do, as I understand that our Baden-Baden conversation was also entirely informal. However you are absolutely free to confidentially use the contents of this letter towards your firm and towards your American authorities. I hope to be able to let this letter be followed soon by a formal announcement to the respective authorities which I hope and trust will enable them to recognize the honest and earnest intention and endeavour of my Government.¹⁶

Believe me,
 dear Mr. Lamont,
 Yours very sincerely

¹⁶ On Aug. 13 Reichsbankdirektor von Wedel sent Counsellor Baer of the Economic Department a copy of a telegram (in English) from Schacht to Lamont (9250/E654142-43) which was to be despatched the following day. This telegram announced that Germany was prepared to purchase coupons of the Dawes and Young Loans against payment of 5 and 4 per cent respectively in dollars, stated that Germany would take the risk of selling the coupons at face value as tourist marks and cover the deficit, if any, and invited any advice which Lamont might deem useful. See also document No. 290 and footnote 1 thereto.

No. 285

6144/E459676-81

Memorandum by an Official of Department VI

BERLIN, September 4, 1935.
 zu II Ts. 1975.¹

The Foreign Ministry has recently been approached by various quarters with requests for greater financial aid for the German communities in the States bordering on the Reich in the East, i.e., Poland and Czechoslovakia.

The funds required for this cannot be provided from the budgetary

¹ Document No. 320, to which the document here printed was subsequently annexed.

appropriations of the Foreign Ministry or the Deutsche Stiftung.² It will therefore be a question of obtaining additional funds. In view of this state of affairs, the German community in Poland has already appealed to Reich Finance Minister Count Schwerin von Krosigk in person through the head of the Deutsche Vereinigung [German Association] (Kohnert). The Reich Office for Foreign Exchange Control has been approached by the Sudeten Germans, as the question of transferring the additional funds requested is of decisive importance. The Foreign Exchange Control Office intends to inform President Schacht of this step. Both the Reich Finance Ministry and the Foreign Exchange Control Office, for their part, have been in touch with the Foreign Ministry. They were informed that the Foreign Ministry itself was dealing with the requests and that it would therefore shortly be getting in touch with the departments concerned. It is possible that Herr Schacht or Count Schwerin von Krosigk may raise the matter with the Foreign Minister at the Party Rally.

The facts of the matter are as follows:

I. Czechoslovakia.

(1) Before the elections in Czechoslovakia last spring, Dr. Steinacher approached the Foreign Ministry about possible financial support for the Sudeten German Party in the elections. An amount of about 300,000 RM was mentioned at the time.³ It has now been established (a receipt exists)⁴ that Henlein spent approximately 330,000 RM on the elections, in which he was successful.⁵ Of this, the V[olksbund für das] D[eutschtum im] A[usland] has already transferred a sum of about 145,000 RM in cash, and has assumed liability for the balance of 185,000 RM in the form of guarantees to Sudeten German organizations who have advanced the money.⁶ In the meantime the VDA's guarantees have matured.

The Reich Finance Minister had intended to negotiate with Reich Minister Hess in a high level conference about sharing the contribution between the Reich and the Party. According to information received from Count Schwerin von Krosigk at the end of last June, this conference had not yet taken place, but the Reich Finance Minister agreed to the Foreign Ministry's getting in touch with the Reich

² This organization is described in an unsigned and undated memorandum, e.o. VI A 771 of 1930, registered on May 6, 1930 (K1005/K263959-78), as a confidential agency (*Vertrauensstelle*) of the Reich and Prussian Government whose tasks lay in the social and cultural spheres, especially in the ceded areas in the North and East. At its head was an executive committee which consisted at that time of one representative of each of the parties of the Weimar coalition (*der Parteien der Weimarer Koalition*). Its managing director (*Geschäftsführendes Vorstandsmitglied*) was Dr. Krahmer-Möllenberg.

³ See vol. III of this Series, documents Nos. 482 with footnote 1 thereto and 509.

⁴ Dated Aug. 28, 1935 (6144/E459652), and signed by Henlein; this acknowledges the sum of 331,711.30 RM paid to him "for election purposes".

⁵ See document No. 99.

⁶ See document No. 119.

Finance Ministry as soon as it had been definitely established how much had been spent.

An amount of 330,000 RM must therefore be paid to the VDA and at the same time a permit for the early transfer of 185,000 RM is required.

(2) Since his election victory Henlein has need of additional funds to expand and consolidate the Sudeten German Party. In view of the ever-increasing distress amongst all classes of the Sudeten Germans, it will be only with the greatest difficulty that the leaders of the Sudeten German Party will be able to raise the necessary funds for social measures. During the first year, however, it will not be possible for them to raise in the country itself the money for the political activities of the Party. Henlein says that he is dependent upon outside help. He points out that the Sudeten German Party are not only having a great deal to put up with from the Czechs, who are doing all they can to suppress the Party, but, in view of the coming hard winter, it will also have to make every effort to keep its electors in line. Furthermore, Henlein considers that to hold his electors together a Sudeten German daily paper should be started. The paper, *Die Zeit*, is to appear in Prague on October 1 of this year.

Henlein has asked for the following funds to be placed at his disposal:

(a) For the political work of the Party (consolidation, expansion, keeping in touch with the electors), a non-recurrent total sum of 360,000 RM. This sum should be paid out over one year in monthly instalments of 30,000 RM., so that foreign exchange only need be raised each month for the required amount.

(b) For the newspaper, the grant of a non-recurrent sum amounting to about 400,000 RM. According to Dr. Steinacher this would seem definitely to involve a single contribution only. It appears that a regular subsidy for the paper is not envisaged. It would presumably be possible to transfer this amount over a period of several months.

There can be no doubt that after his election victory the Reich cannot leave Henlein in the lurch but must try, in so far as this is in its power, to give Henlein and his Party a good start in these present difficult times, and to aid him in his political course. In this connection it must not be forgotten that, in view of Czechoslovakia's political alliance with France and Russia, the Reich also has a military interest in as united and strong a Sudeten community as possible—an aspect to which the Reich War Ministry is by no means impervious. Should it be decided to pass from this willingness in principle to actual support, then it would first have to be considered whether such aid could be rendered on the scale desired. Here the following aspects would probably be decisive:

(1) It would have to be ascertained how much the country itself is

contributing to the Henlein Party, so as to prevent the Party from subsisting solely on support from Germany.

(2) The German side would have to refuse to go into the objects to which the proposed subsidies were applied. Thus only general subsidies for political work, including the press, could be made available.

(3) The sums requested have undoubtedly been put too high. It would first have to be ascertained what political funds other offices (VDA) are remitting to Czechoslovakia. Moreover, in view of the foreign exchange situation, it would appear uncertain how much can be transferred and what method would have to be employed in order not to compromise the Sudeten German community.

As far as the situation can be judged at present, we could probably at first only consider monthly instalments of about 30,000 RM, without committing ourselves to any definite period.

II. Poland.

Additional funds are also required for work in connection with the German community [*Deutschtumsarbeit*] in the territories ceded to Poland. The Deutsche Stiftung estimate the amount required for Poznań and Pommerellen at about 700,000 RM over and above the funds allocated to them for the current financial year. The increase is partly explained by the fact that during this financial year, owing to the Foreign Ministry's own requirements, the sums allocated to the Deutsche Stiftung from the funds administered by Department I of the Foreign Ministry have had to be reduced by approximately 285,000 RM compared with the financial year 1934/35. Another reason for the demand for additional funds referred to above is the increased distress among the German community in the territories ceded to Poland. Due to the fall in grain prices, the productive capacity of the broad masses of the German community in Poland has been reduced to a minimum. The various minority organizations cannot therefore now raise, to the amount which was previously possible, the sums necessary to secure the continued existence of the national community; they are therefore compelled to appeal to the Reich. Expenditures have to be made for the following purposes, which the Deutsche Stiftung are able to substantiate in detail: Minority protection and organizations; schools (current expenditure [*sächliche Ausgaben*]); general educational purposes; vocational and welfare organizations; youth work, vocational training. Expenditure specifically for the Evangelical Church in Poznań-Pommerellen and Upper Silesia is not included; these funds are raised by the Supreme Council of the Evangelical Church [*Evangelischer Oberkirchenrat*]. As a result of transfer difficulties, the German Evangelical Church has recently begun to suffer serious distress which urgently requires to be remedied.

As far as the actual obtaining of additional funds for the German community in Czechoslovakia and Poland is concerned, it should be pointed out that Department VI has of its own accord already asked for an additional sum of 750,000 RM. The Reich Finance Ministry refused to grant this sum, but, according to oral information we have received, that Ministry has declared itself willing to give favourable consideration to any additional demands from the Foreign Ministry.

In view of the Reich's serious financial and foreign exchange position, the requests for additional appropriations of funds touch upon questions so basic that it would appear essential for agreement to be reached between the Foreign Ministry and the Reich Finance Minister, the President of the Reichsbank, the Führer's Deputy, Ambassador von Ribbentrop (who is responsible for the affairs of the German national communities in Europe),⁷ and State Secretary Funk. It is even possible that a decision in principle will have to be obtained from the Führer.

R[OEDIGER]

⁷ In a memorandum of Oct. 17, 1934 (8772/E611359-61), Köpke recorded that Steinacher of the VDA had that day informed him that Hitler had appointed Ribbentrop and Bohle, the Head of the Auslandsorganisation, to be members of the Volksdeutsch Council. Hess had made Ribbentrop his deputy with powers to act in all matters on which he did not specifically reserve decision for himself. For the Volksdeutsch Council, see vol. II of this Series, *passim*.

No. 286

9314/E660636

*The Chargé d'Affaires in Greece to the Foreign Ministry*¹

Telegram

SECRET

ATHENS, September 5, 1935—10:30 a.m.

No. 68 of September 4

Received September 5—11:50 a.m.

II It. 1348.

A reliable confidant who is known to the Foreign Ministry and the War Ministry (Admiral Canaris) and is on excellent terms with the present Government, made the following statements here today, based on top secret information from the Greek Minister of the Navy. I should be grateful for strictly confidential treatment in order to avoid compromising the source.

(1) The British Government, so he said, have asked the Greek Foreign Minister, in confidence, what attitude Greece would adopt in the event of an Italo-British war. No reply has as yet been received from the Greek Government. As regards the views prevailing within the Government, the confidant reports that Greece will attempt to

¹ Although the left-hand margin of the document here printed is badly damaged by fire, it has been possible to complete the text by reference to the communication of Sept. 5 (9314/E660637) which informed the War Ministry and Naval Command of its contents.

maintain neutrality. Should this prove impossible Greece would opt for Britain.

(2) At the last Council of Ministers before the Foreign Minister's departure for Geneva it was decided to take every measure to safeguard Athens against air and sea attacks.

(3) According to reports from the Ministry of the Navy, Britain is said to be making preparations so as to be able to give up Malta as a naval base in the event of war. According to the same source, the British Far Eastern Squadron have received orders to reinforce the Mediterranean naval forces.²

KORDT

² In telegram No. 74 of Sept. 27 (9304/E660250) Kordt reported: "I learn, in strict confidence, from circles close to the Minister President that in Geneva the Balkan Entente have discussed their attitude in the event of a conflict. The view was that neutrality should be maintained as long as possible, and, if this proved impossible, Britain should be opted for."

No. 287

2784/540420-23

Memorandum by the State Secretary

BERLIN, September 5, 1935.

[e.o. IV Ru. 3630.]¹

During his visit today the Italian Ambassador read out to me lengthy extracts from a telegram from Ambassador Cerruti, who had had a discussion about the Eastern Pact with Léger and Laval. Cerruti, clearly basing himself on information obtained here, had asked Léger what the position was with regard to French participation in, and/or guarantee of, the Eastern Pact. It seems that he received no clear answer. Léger had said that France was prepared to guarantee the Eastern Pact *vis-à-vis* Poland, Czechoslovakia and Russia, and of course Germany. (Attolico and I noted that according to this telegram the Baltic States were excluded from the guarantee in fact, if not explicitly.) As Germany appeared not to care for this guarantee, France was prepared to let this point drop. Attolico stated that the telegram did not say that France was prepared to waive the guarantee. Léger had further pointed out that France's alliances with the Little Entente, Poland and Russia would of course continue to exist nevertheless. The conversation with Laval does not appear to have shed any further light on the guarantee question. On the contrary, Laval spoke (as he had done previously to Köster) of wishing to dissolve the French system of alliances or the individual alliances into the Eastern Pact, thus ridding the alliances, and in particular the Franco-Russian Alliance, of all bias against Germany.

¹ Taken from another copy (6695/H104003-06).

(Attolico and I agreed that this would be impossible in practice, because the more far-reaching alliance treaties could not be merged in a consultative pact of a general nature.) Laval had further explained to Cerruti that he was unable to bring about an understanding between Germany and France *à deux*, although he knew and always stressed that a Franco-German understanding was a precondition for any pacification of Europe. He would adhere to the London programme² and its indivisibility, but he did not design to force us to state our views beforehand on the Eastern Pact, or on the Danubian Pact, which latter was equally distasteful to us. All he desired was to enter into negotiations, with the participation of the other interested States, and if it would be easier for us he would be fully prepared to begin by negotiating on disarmament. Should a convention on disarmament or on the limitation of armaments come about, it would probably be much easier to conclude the Eastern Pact and the Danubian Pact. Laval had, however, emphasized that a bilateral Franco-German agreement for the limitation of armaments, more or less on the lines of the Anglo-German Naval Agreement, was entirely out of the question. Laval had further pointed out that he had always pursued, or at least desired, a policy of *rapprochement* with Germany and that in a few months' time he would probably no longer be Minister President or even a member of the Government. Not only did he therefore desire, but also it was in Germany's interests, that no more time should be lost in coming to an understanding with him or with the group of interested States. He had already previously declared, and would repeat it now, that he was willing to meet the Führer and Chancellor, but only if the discussion had been prepared in detail through diplomatic channels (as had been done on the occasions of his visits to Rome and London) so that the outcome of the conversations was secured beforehand.

I thanked the Ambassador for his confidential information and told him that much of it was not new to us. The question of France's participation in the Eastern Pact was still unresolved. Laval had already previously mentioned to Köster the possibility of discussing the disarmament question first.³ In spite of enquiries in Paris, it had not been made clear what proposals the French were prepared to make and whether they intended to take up the suggestions concerning armaments contained in the Führer's latest speech.⁴ As for their desire for direct discussion with the Führer and Chancellor, Laval had clearly considerably modified his earlier remarks in this respect, for it had long been his idea that a direct discussion would immediately eliminate all difficulties.

The Italian Ambassador further told me, quoting from a telegram

² See document No. 46, footnote 3.

³ See document No. 231.

⁴ See Editors' Note, p. 171.

or report from Prague, that in the Czech view Czechoslovakia was not obliged, under the terms of her alliance with Russia, to intervene in a Russo-Polish conflict, and that she would be obliged to intervene in a Russo-German conflict only if France in fact intervened, but not if a case arose giving France the right to intervene. The Ambassador said Beneš had given him in Moscow the same interpretation of the Czech obligations.

I took the opportunity to point out to the Italian Ambassador that the French press was putting forward the thesis that, should no unanimous decision be reached at Geneva, Britain would be in a position and indeed entitled to impose sanctions on Italy independently and alone under the terms of Article 16. This was the same thesis as that to which we had objected in our Locarno protest against the Franco-Russian Alliance.⁵ The Ambassador was taken aback by my remark, for he had not yet seen the reports in the French press. He took the view, however, that the French theory was correct and justified it on the grounds that it could not possibly be expected of all the members of the League of Nations that they should participate in sanctions. Since, under Article 16, participation in the resolution constituted at least a moral obligation to take measures, everyone was free to vote as he pleased and accordingly everyone was entitled to act independently should the case envisaged in Article 16 occur. I did not, of course, accept this argument as valid.⁶

BÜLOW

⁵ See document No. 107 and enclosure thereto.

⁶ By telegram No. 360 of Sept. 7 (6695/H104008-09) Renthe-Fink briefly informed the Embassy in Paris of Attolico's statements regarding Cerruti's conversations with Léger and Laval, and requested Köster to hold language with Léger along the lines laid down in document No. 260 and to report by telegram. See also document No. 289.

No. 288

8034/E577846-49

*Unsigned Memorandum*¹

GENEVA, September 6, 1935.

MEMORANDUM ON A CONVERSATION WITH A STATESMAN WHOM I KNOW
WELL AND WITH WHOM I HAVE HAD CONVERSATIONS BEFORE

According to special information from Rome available to my informant [*Gewährsmann*], Mussolini wishes to engage in military action at all costs. Mussolini has stated, in this connection, that he

¹ No indication has been found as to how and when the document here printed reached the Foreign Ministry, nor has its author been definitely identified. It appears likely, however, that its author was Herr Hack, Press Adviser to the German Legation in Berne; in Report No. 1111 of Sept. 7 (8023/E577364-70) the Consul in Geneva stated that Kánya had the previous day discussed the developments in the Danubian Pact negotiations with Hack, who had submitted a special report to Weizsäcker. A handwritten minute (8034/E577845) filed with the memorandum here printed reads: "Respectfully submitted to St[ate] S[ecretary] von Bülow. The informant [*Gewährsmann*] is Kánya. Aschmann, Sept. 9." It was initialled by Bülow on Sept. 9 and then circulated in Departments II and III.

does not fear even an armed conflict with Britain, although he naturally does not desire one. If, for example, Italian ships were stopped and searched he would shoot. The Italian fleet, he said, was more modern than the British. The Italian coasts were no longer, as they once were, exposed to British bombardment. He had ensured this by developing his air force, his submarines and his mines. Mussolini's belligerent attitude was indeed, my informant went on, being widely and even quite openly criticized in Italy. The campaign was anything but popular. Mussolini believed, however, that in view of the present inadequate state of Abyssinia's armaments he could bring the campaign to a decisive conclusion in a relatively short time. He wanted to have finished with Abyssinia before Germany's rearmament had been completed. He also wanted to realize certain colonial desires during this period. Mussolini was stressing that he had kept by far the best troops and the strongest weapons in Europe in order to remain strong enough for all eventualities there. Nevertheless, my informant continued, there was some concern, particularly in Prague and Paris, but in Vienna too, about the possible repercussions of the Abyssinian adventure. These quarters, therefore, were demanding and energetically promoting the conclusion of the Danubian Pact. The French could not be dissuaded from the conviction that, as soon as Italy was sufficiently tied down and weakened and quite possibly involved in a conflict with Britain, Germany would advance against Austria. Beneš was particularly nervous about this. But Italy, too, although she denied that there was any special necessity to do so, was seeking rear cover on her northern frontier.

My informant, too, has the impression that a *rapprochement* has taken place between France and Britain. The British were, after all, even more valuable to the French than were the Italians. It was, moreover, feared in Italy that Laval might quite soon be overthrown and that the new French Government might be less pro-Italian than he is. If Laval should draw ever closer to the British point of view and even exert a certain amount of pressure on Italy, he would doubtless demand counter concessions from Britain. A (cautious!) collective action by the League of Nations against Italy could be for consideration by France only if Britain were to guarantee that she would then take part in collective actions in Europe as well, and on every front, i.e., if necessary, also in sanctions on account of Austria. A renewal of the Anglo-French Entente might, therefore, be at Germany's expense. Laval had made formal enquiry in London about the British attitude to these questions.

His country's attitude to the Danubian Pact had, so my informant assured me, remained completely unchanged. He realized that Berlin did not desire the Danubian Pact; that was clearly apparent from the latest answer he had received from them. His country was

not interested in this Pact either. It would only be prepared to take part if in so doing it could get certain fundamental demands accepted. For his country mutual assistance was, now as previously, out of the question. It could indeed only take part in the Pact if any bilateral treaties of mutual assistance concluded between other States contained no threats to his own country. For him, a further prerequisite was the assertion of military equality of rights; here certain assurances could be given as to the tempo and the extent to which this equality would be realized. Action on behalf of minorities must not be interpreted as interference. From all this it was clear that the Danubian Pact could scarcely be put into effect at short notice. My informant let it be seen that he did not believe that his minimum demands would be so easily accepted by his opponents in the Danubian area. Nor does he now expect any substantial negotiations about the Pact at the beginning of the meeting.² For this reason he wishes, if possible, to leave Geneva as early as September 10 of this year in order to spend a fortnight in the Swiss mountains. (Where at any rate he will be near at hand.) Titulescu, he said, was expected to arrive shortly, but the Yugoslav Minister President did not, as far as he knew, intend to come. The Danubian question was at the moment really more a question of major policy in connection with Abyssinia and not so much a question of special negotiations with and among the small Powers.

My informant went on to say that he was glad to have succeeded in entering into better relations with the new Yugoslav Government. He had been told by the Yugoslavs that the past must be buried. However, he knew the Serbs too well to be able to have complete confidence. My informant further told me that French circles were still unwilling to admit that the Third Reich was now fully stabilized, and still entertained certain hopes of a change of régime. They apparently over-estimated the opposition forces in Germany and their organizational possibilities. At any rate, they were closely observing all signs of opposition and discontent in the Reich. They also had some hopes of the Church conflict.

As regards the relations of his country with Austria, my informant has hitherto been most reserved. Nor was he willing to give me any real information about the recent visit of the neighbouring Foreign Minister.³ He only said that he was on quite good terms with this gentleman, who had hitherto met with no particular interest in Geneva for his Danubian hopes. A conversation about Danubian questions has been arranged between my informant and the Polish Foreign Minister. The Government of that neighbouring country was, he said, probably somewhat more stable now.

² The Council of the League of Nations met on Sept. 4, and the Assembly on Sept. 9.

³ The reference appears to be to the Austrian Foreign Minister.

I shall probably have a further conversation with my informant and shall then be able to supplement my information.⁴

⁴ No such further information has been found, but see also document No. 295.

No. 289

6695/H104016-17

The Ambassador in France to the Foreign Ministry

Telegram

No. 924 of September 9

PARIS, September 9, 1935.

Received September 9—6:00 p.m.

IV Ru. 3653.

With reference to your telegram No. 360 of September 7.¹

Léger has been on leave for four weeks; he is however at the moment in Geneva. He is expected back at the end of this week or some time next week. Léger's remark to Cerruti that France was prepared to drop the offer of a guarantee as well as to give up the adjustment of the Franco-Russian Pact to the Eastern Pact represents a change in the attitude hitherto prevailing, on which I reported in telegram No. 810 of July 23 [*sic*].² Moreover, the express acceptance of a guarantee *vis-à-vis* Poland and Czechoslovakia is new. There was until now only mention of such a guarantee *vis-à-vis* Germany and Russia. The explanation of the change seems to me to be the fact that the Left, under the leadership of Herriot, desires no re-writing of the Franco-Russian Pact, which would very probably be interpreted and welcomed by a section of the public—though entirely without justification—as a loosening of Franco-Russian ties. Herriot and his supporters undoubtedly desire an intensification of relations, particularly from the military point of view. Now that, over the Italo-Abyssinia conflict, Laval had had to bow to the wishes of Herriot and the Left in the matter of respecting the Covenant of the League of Nations (see the final paragraph of telegram No. 906 of September 3),³ it would be understandable for him to give in to the wishes of the same group with regard to the maintenance and expansion of the Franco-Russian Pact.

I cannot imagine that Cerruti understood Laval aright. In speaking to me the Minister President did not (as is clear from telegram No. 827 of July 27),⁴ mention a dissolution of the separate alliances into the Eastern Pact, but only spoke of "returning the paper to

¹ See document No. 287, footnote 6.

² Document No. 220.

³ Not printed (8015/E576174-75). In this telegram Köster reported that Laval had apparently pointed out to Eden that France wished to act as the friend of Italy and Britain, and that Laval's decision to appoint Herriot, Bonnet and Paul-Boncour as delegates to the League of Nations was regarded as a capitulation to the influence of the Left.

⁴ Document No. 231.

Russia". According to what Léger said, this should be taken to mean the adjustment of the existing Franco-Russian Pact to the Eastern Pact, which would require France to become a guarantor *vis-à-vis* Russia and Germany. But I will try to get this point, too, cleared up in conversation.

While I was speaking to Laval, before his departure for Geneva, about the Memel question and the wireless station at Strasbourg, he enquired incidentally about our views on the Eastern Pact and the League of Nations Pact. When I replied that our answer could hardly be expected before October, he replied somewhat ironically that he could understand this. I took this opportunity to enquire, basing myself on the question contained in the last page of the State Secretary's letter,⁵ about his views on the Eastern Pact. He evaded giving an answer by remarking that he would accept any form which would ultimately lead to the conclusion of an Eastern Pact. This I would prefer to discuss with Léger, who is better informed as regards detail than he [Laval] is. In any case, there was no sign of his previous definite opposition to the wishes of the French Communists. Very probably this change is due to the reasons reported in despatch A 3985 of August 29.⁶

KÖSTER

⁵ See document No. 260.

⁶ Marginal note in an unidentified handwriting: "About Laval's difficulties at the pending Senate elections." The despatch is not printed (8216/E583928-29).

No. 290

9250/E654162-66

The Director of the Economic Department to the Embassy in the United States

Telegram

URGENT
No. 129

BERLIN, September 9, 1935—8:20 p.m.

zu W 9141¹

9246²

9326³ [Ang. I].

For the Ambassador.

With reference to our telegram No. 118 of August 31, 1935.⁴

¹ This was a letter from Schacht to the Foreign Ministry of Aug. 28, 1935 (9250/E654150-51), enclosing copies of five telegrams from Lamont and Fraser (9250/E654152-56). Fraser's telegram of Aug. 21 stated that Lamont's telegram of the same date had been "privately submitted to Cordell [Hull] before its despatch". Leon Fraser was President of the Bank for International Settlements 1933-1935. For the antecedents of the document here printed see document No. 284.

² This was telegram No. 181 of Aug. 31 from Washington (9250/E654157), stating that Hull would be in Washington during the next fortnight.

³ This was a letter of Sept. 3 from Ministerialdirigent Berger of the Reich Finance Ministry to Ritter (9250/E654158) enclosing material (9250/E654159-61) to be used for instructing the Embassy in Washington.

⁴ Not printed (9250/E654146).

You should inform Secretary of State Hull personally of the following as soon as possible, leaving an *aide-mémoire*:

The German Government wish to inform the Government of the United States of the following practical settlement which they have in mind for the simplification and improvement of the transfer for the service of American coupons of the Dawes and Young Loans.

Under the aforementioned new settlement those holders of shares of the American block of the Dawes and Young Loans who are domiciled in the United States are given the opportunity to sell their interest coupons maturing on October 15 and December 1, 1935, respectively, to agencies in the United States yet to be announced. These agencies will purchase interest coupons on a dollar basis at a price equivalent to a rate of interest of nominally 5 per cent for the Dawes Loan and 4 per cent for the Young Loan. It must be proved that persons domiciled in the United States have owned the bonds since July 1, 1935.⁵ Where the bondholders do not make use of this opportunity to sell, their interest coupons shall be redeemed in accordance with the regulations announced on the occasion of the last date of maturity of the interest coupons.

The new arrangement will be announced as soon as possible.⁶ It obviates to the largest possible extent the financial disadvantages and technical difficulties which have hitherto arisen for bondholders in connection with the redemption of the interest coupons and represents a substantial contribution by Germany towards a solution of all questions to be discussed between the two countries.

End of the formal communication.

In the ensuing conversation you should particularly stress the following points:

(a) The proposal represents a considerable improvement for the bondholders. Through it they will receive more than under the procedure hitherto in force and will be spared the trouble of having to dispose of the *Sondermark* which have previously been allocated to them. Germany will undertake the risk of disposing of these marks and where the coupons are purchased will advance the foreign exchange payments; furthermore, she will make up the difference from her own foreign exchange reserves.

(b) This concession is not to forestall the thorough discussion of the problem of transfers for the servicing of Germany's foreign loans.

⁵ After representations from Lamont this date was eventually altered to Oct. 1. Records of the telegraphic and telephonic communications between Lamont and representatives of the Reichsbank have been filmed on Serial 9250.

⁶ The draft press releases of Sept. 13 and Oct. 4 have been filmed as 9250/E654185 and E654273 respectively. A circular of Oct. 10 from J. P. Morgan & Co. to American banks, finance houses, etc., has been filmed as M82/M002975-77.

In view of the difficult foreign exchange position, it deserves special attention and can only be justified on the assumption that the sacrifice has not been made in vain, in other words that the American Government shall give it due consideration when assessing the appropriate share of Germany's foreign exchange earnings as claimed by the USA.

For your own information only:

(a) The additional charge on foreign exchange is estimated to be 1.1 million RM.

(b) The purchase of interest coupons is to be effected through the offices of the German shipping companies;⁷ in other words, it should not give the outward appearance of being a Government transaction. Appropriate documents (not affidavits) will have to be accepted as proof of ownership for the purpose of preventing abuse. The determining date for ownership is already known to Lamont and Fraser.

(c) The offer applies solely to this one instance, although this is not being stressed particularly. A repetition [of the offer] depends on positive results regarding mutual economic and financial problems.

(d) A discussion of the transfer question with the representatives of the American creditors, if only in a semi-official form, is not desirable at present. For this reason the proposal will be published unilaterally two days after the American Government have been informed, and in the usual manner.

(e) We should also at present avoid committing ourselves to a readiness in principle to negotiate with the creditors. Any conversation about the treatment of the other American private loans should be avoided.

(f) The American Notes of June 28⁸ will remain unanswered in the meantime.

Please send us your early telegraphic report on the execution of these instructions.⁹

RITTER

⁷ As a result of communications between Lamont and the Reichsbank (see footnote 5 above), payment could be effected through J. P. Morgan & Co., as well as through the offices of the Hamburg-America Line and the North German Lloyd.

⁸ See document No. 264, footnote 3.

⁹ Luther reported in telegram No. 192 of Sept. 11 (9250/E654181) that he had that day carried out his instructions; Hull had followed his remarks with great interest and had stated that he would examine the proposal in detail. See also *Foreign Relations of the United States, 1935*, vol. II, pp. 437-438.

No. 291

M244/M008110

Memorandum by an Official of Department II

BERLIN, September 11, 1935.

League of Nations

Today's speech by Sir Samuel Hoare¹ is considered in the League of Nations to be a great success, and one which will ensure for Britain the leadership in the League Assembly and will compel France to toe the line. It is significant that Herriot showed himself particularly enthusiastic, while among the right wing of the French delegation displeasure with Italy has increased. The British speech called forth vehement disapproval on the part of the Italian delegation, among whom there was talk of an immediate departure by way of reply. This is, however, not expected; on the contrary, Aloisi remained in the hall even when the Abyssinian was making his speech before the League Assembly. Laval is expected to make his speech tomorrow.

VON KAMPHOEVENER

¹ For the text of this speech to the Assembly see League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly, Plenary Meetings, Special Supplement No. 138, pp. 43-46.*

No. 292

1549/376767-69

The Minister in Austria to the Führer and Chancellor

A. 2090

VIENNA, September 11, 1935.

Received September 13.

Rk. 7534.¹

Subject: The Habsburg restoration and the Little Entente.

The Yugoslav Minister called on me today in order to supplement, in confidence, the information on the course of the conference in Bled² which, in my absence, he had given Prince Erbach. He told me that it had required considerable effort to induce M. Beneš to identify himself with the policy laid down in the communiqué. Only the insistent demand of the Yugoslav Minister President,³ that

¹ The copy of this document (6081/E451309-11) received in the Foreign Ministry was registered as II Oe. 2584.

² The Conference of Foreign Ministers of the Little Entente met in Bled on Aug. 29-30 to discuss foreign policy and economic questions. The communiqué published at the end of the conference expressed agreement with French and British plans concerning the Eastern Pact, emphasized that the Danubian Pact should form the basis for friendly cooperation with Germany and Italy and reiterated the determination to oppose a Habsburg restoration, if necessary by force. The full text of the communiqué, which was attached to this document, is not reprinted (1549/376770-74).

³ Milan Stojadinović.

some definite decision must be taken with regard to the Habsburg restoration if the Little Entente were not to disintegrate politically, had finally induced M. Beneš to agree for the sake of solidarity. Although Laval, at the request of Federal Chancellor Schuschnigg, had expressed the wish that the Little Entente should not concern itself with the Habsburg question,⁴ it was decided that their final rejection should be expressed in such unmistakable terms that even the Quai d'Orsay would be compelled to cease their efforts in this direction. The expression used in the communiqué "*s'y opposeront de toutes leurs forces* [will oppose it with all their forces]" meant invasion, in the event, by armed forces.

M. Nastasijević added in strict confidence that the General Staffs of the three States would very shortly meet and confer for the purpose of coordinating their military plans.

As regards Yugoslavia's attitude to the Danubian Pact, her agreement as expressed in the communiqué was merely a formality. The sentence which called for cooperation between the States of the Little Entente and Italy and Germany was particularly interesting, because here, for the first time, Germany was mentioned, at the special desire of Yugoslavia, and because this wording had originally been opposed by the other Powers.

With reference to the reports in the press regarding the resumption of relations between Yugoslavia and Russia, M. Nastasijević told me that efforts in this direction had been most energetically urged by MM. Beneš and Titulescu. The Prince Regent had, however, flatly refused to discuss this question, and there was no danger that Yugoslavia might allow herself to be taken in tow by Russia.

I had advised M. Nastasijević, before he went to the conference at Bled, to ensure that the Little Entente finally came to a clear decision on the Habsburg question, and one which would leave Austria in no doubt as to the seriousness of the measures to be taken should the occasion arise. It is very gratifying that this has now at last been achieved. The Austrian Government, as also the French Minister here, Puaux, have shown themselves to be acutely disturbed over this decision. Neither the resolution of Bled nor any reference to the Habsburg question has appeared in the Austrian press since.⁵

PAPEN

⁴ See document No. 269.

⁵ Marginal notes: "(i) The Führer is informed. (ii) To the *Referent* for information. (iii) To be filed. L[ammers], Munich, Sept. 24, '35."

No. 293

8017/E576891-92

The Consul at Geneva to the Foreign Ministry

Telegram

No. 66 of September 12 GENEVA, September 12, 1935—2:05 p.m.
 Received September 12—3:45 p.m.
 III O 4064.

Information from the French delegation last night confirms that yesterday's Hoare-Laval conversation was primarily concerned with the repercussions of the Abyssinian conflict on Europe. The French maintain that Anglo-French agreement has already been reached over the French security desiderata. The Polish permanent delegate¹ thinks it certain that the French demands comprised not only the Locarno and Danubian Pacts, as reported in [my] despatch of September 7² and telegram No. 64 of September 11,³ but also the Eastern Pact, and he expects that great pressure will be brought to bear upon Germany and Poland in this sense. Clearer and more precise indications as to how far British concessions in respect of France's increased security desiderata really go will perhaps be afforded by today's continuation of the conversations between Hoare and Laval, [and] possibly by Hoare's speech on the English wireless this evening, as also by Laval's speech to the League Assembly tomorrow.

In any case it is generally expected that France will draw away from Italy. It is almost everywhere assumed that the whole position has been rendered more acute by Hoare's speech yesterday⁴ because British determination to let it come to a collision with Italy is becoming increasingly clear, whilst on the other hand it is thought that Italy can no longer retreat and that even France will find herself compelled to abandon Italy. It is even widely assumed that military action in Abyssinia will start as early as within the next fortnight, and that the question of sanctions, given the present mood in the Assembly as typified by the loud applause accorded today to the sharp speeches in favour of sanctions by the Netherlands and Swedish Foreign Ministers,⁵ will then be decided in a positive sense.

The prospects of successful action by the Committee of Five, which meets again this afternoon, are not rated very highly.⁶

KRAUEL

¹ Count Raczkinski.

² Not printed; see document No. 288, footnote 1.

³ Not printed (8015/E576182).

⁴ See document No. 291 and footnote 1 thereto.

⁵ For the texts of the speeches by Jonkheer de Graeff and M. Sandler see League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly, Plenary Meetings*, Special Supplement No. 138, pp. 61-64.

⁶ See document No. 294, footnote 1.

No. 294

8023/E577372-73

The Consul at Geneva to the Foreign Ministry

Telegram

URGENT

GENEVA, September 13, 1935—3:50 p.m.

No. 67 of September 13

Received September 13—5:10 p.m.

III O 4089.

The following new basis for negotiations has been created through yesterday's Hoare-Laval-Aloisi conversations: A joint Anglo-French proposal is to be made to Italy, presumably as a final offer. It is to be made in the following manner: A sub-committee of the Committee of Five,¹ presided over by Lopez Oliván,² is to meet today after Laval's speech, and it is significant that the Mandate Section of the League of Nations Secretariat are also to be represented at the meeting. This sub-committee is to work out the draft of a report to the Council, which is to be submitted to Italy and Abyssinia for their acceptance.

Minister Oliván this morning gave me strictly confidential information on this subject, from which the following picture emerges: The Anglo-French alignment for the purpose of composing the Abyssinian conflict is a fact which the Italians must take into account and which will decisively influence their attitude in the forthcoming negotiations, which may be expected to take up the whole of next week too. On the other hand, the Anglo-French desire to avoid a collision with Italy, and the difficulties of putting into force even a unanimous resolution on sanctions, have produced a considerable degree of willingness to fulfil as far as possible Italy's just desires and to build her a golden bridge over which to retreat from her untenable position. What the joint Anglo-French offer will contain has not of course been determined as yet. Presumably, however, it will be on the lines of Abyssinia having to accept supervision, sanctioned by the League, by the three Great Powers interested in the Treaty of 1906.³ Italy would be primarily concerned in exercising this supervision and a number of Italian police stations would be established in Abyssinia to this end. A mandate from the League of Nations in the full sense of the word is not to be awarded because it is desired outwardly to maintain the full sovereignty of Abyssinia as a member of the League.

According to Lopez Oliván the concessions which it is proposed to make to Italy in Abyssinia will nevertheless not suffice to enable Mussolini to withdraw from his present position. Therefore

¹ A Committee, under the chairmanship of the Spanish delegate, Salvador de Madariaga, appointed by the League Council on Sept. 6 to make a general examination of Italo-Ethiopian relations and to seek for a pacific settlement.

² Spanish Minister in Switzerland.

³ See document No. 278, footnote 5.

the other side is considering the possibility, even at this early stage, of giving Italy simultaneously a binding promise of her participation, on a basis of full equality, in the reorganization of African colonial territories proposed for the near future. Hoare's speech⁴ has already prepared the way for this and the British are naturally thinking of German participation too. In this connection Oliván expressed the view that naturally the Reich Chancellor's statements of September 15 were being awaited with special interest because the substance and form of an utterance by the Führer about the German view of the colonial question and the possibility of solving it by way of peaceful international collaboration and equality of rights would naturally be of extreme importance for the development of the present Geneva negotiations in this direction.

Continuation follows.

KRAUEL

⁴ See document No. 291, footnote 1.

No. 295

8019/E577107-08

The Consul at Geneva to the Foreign Ministry

Telegram

No. 68 of September 13 GENEVA, September 13, 1935—4:40 p.m.
 Received September 13—6:00 p.m.
 III O 4090.

With reference to my telegram No. 67.¹

Today's impressive and important speech by Laval, which has been separately reported,² fully confirms the unity of Anglo-French action foretold in earlier reports,³ and makes the position of the Italians quite considerably worse. Accordingly, one has the impression in Geneva that the situation thus created opens up the possibility of final negotiations and that in any case a decision may be expected, possibly as early as next week.

Furthermore, it emerges from Laval's speech today that the French attach the greatest importance to the European repercussions of the present joint Anglo-French action in Geneva too. The advantage to France consists in the binding British promise of support for the

¹ Document No. 294.

² For the text of Laval's speech see League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly, Plenary Meetings*, Special Supplement No. 138, pp. 65-66. No record of Krauel's report, which may have been by telephone, has been found; in a memorandum for the Foreign Minister, dated Sept. 13 (M244/M008111), Kamphoevener recorded that Laval's speech was being taken in Geneva to imply that there was far-reaching agreement between Britain and France about Abyssinia, but that France had not yet succeeded in obtaining definite assurances from Britain in respect of analogous action in the event of a European conflict.

³ See documents Nos. 293 and 294.

sanctions provisions of the League of Nations Covenant in the European area as well. That Laval has received binding promises to this effect from Hoare was also confirmed again by the Hungarian Foreign Minister in his yesterday's conversation with Herr Hack.⁴ According to Kánya, Hoare or Eden told him that the British and French Governments had expressly agreed that Article 16 would be applied, particularly in the event of Germany's taking violent action in the Danubian area.

M. Kánya told Hack that in his conversations during the last few days he had, moreover, been given to understand both by Laval and by Eden that the Hungarian demands for military equality of rights and for action in the minorities question could be conceded only if Hungary would sign a Danubian Pact containing an obligation of mutual assistance. Since Hungary could not accept these conditions, negotiations had been broken off and M. Kánya left yesterday. His departure, like that of the Austrian Foreign Minister, may also have been prompted by the fact that both Ministers, in view of the way the Geneva negotiations on the Abyssinian conflict may now be expected to develop, wished to avoid being compelled personally to adopt an anti-Italian attitude.

KRAUEL

⁴ See document No. 288, footnote 1; no other record of this conversation between Hack and Kánya has been found.

[EDITORS' NOTE: In the course of his speech to the special session of the Reichstag at Nuremberg on September 15, Hitler made the following references to Lithuania and Memel:

"... The purpose of the expansion of the German Army was not to threaten the freedom of any European people, let alone deprive it of its freedom, but exclusively to safeguard the freedom of the German people. It is this point of view which determines in the first place the German Reich Government's attitude in foreign affairs. Therefore we adopt no attitude to proceedings which do not concern Germany and do not wish to be drawn into such proceedings. It is therefore with all the greater disquiet that the German people follow events in Lithuania. The Memel Territory was stolen from Germany at a time of complete peace, years after the settlement. This theft was legalized by the League of Nations and linked only to the maintenance of an autonomy to be accorded to the Memel German community and fixed by treaty. For years now the German element of this territory has been ill-treated and persecuted in contravention of laws and treaties. A great nation must continually look on whilst, unlawfully and contrary to the treaty provisions, people of its own blood, who had been set upon and torn from the Reich at a time of profound peace, are treated worse than are criminals in normal States. But

their only crime is that they are Germans and wish to remain Germans. Representations made by the responsible Powers in Kovno have remained, at least until now, mere empty formalities without any value or any consequences in the Memel Territory.

The German Reich Government follow these developments with attention and bitterness. It would be a praiseworthy task for the League of Nations to turn its attention to securing respect for the autonomy of the Memel Territory and to making it a reality in practice before here, too, events take a form which could not but be regretted on all sides one day. The present preparations for elections there show contempt for law and obligations.

Germany makes no impossible claims when she demands that Lithuania should be held by effective measures to the fulfilment of the signed treaties. But ultimately, a nation of 65,000,000 people has the right to demand that she should at least be no less respected than the caprice of a nation of 2,000,000. . . ."

For the full text see the *Völkischer Beobachter* of Sept. 16, 1935.]

No. 296

8637/E604950-52

The Foreign Ministry to the Legation in Yugoslavia (Bled)

STRICTLY CONFIDENTIAL

BERLIN, September 16, 1935.

Sent September 19.

zu II M 1999¹ [Ang.] II.

I write to inform you personally and in strict confidence that the Foreign Ministry has recently received a number of mutually consistent reports, whose correctness it has been possible to confirm from other sources which have always proved reliable, regarding the alleged agreement between Austria and Italy in the event of the invasion of Austria by German troops. The agreement is said to be an understanding, defensive in intention, based on the assumption that Germany might take advantage of the pinning down of large numbers of Italian troops in an Abyssinian war to invade Austria. In this event it is envisaged that Austrian troops alone should defend Salzburg, Upper and Lower Austria and Styria, while the Italians should be entrusted with the occupation and defence of the Tyrol. It is said that a mobilization plan for the Austrian railways was worked out on this operational basis in Vienna last May. The progressive

¹ II M 1999 was report A 1993 of Aug. 27 from Vienna enclosing the Military Attaché's report No. 769, also of Aug. 27 (8637/E604946-47). On the covering report a minute by Schmieden dated Sept. 3 reads: "Similar information, presumably derived from the same source, but rather more detailed, is contained in a report from the German Consulate at Brno dated Aug. 16 (II Oe. 2365)." In report A 2015 of Sept. 3 (K1108/K284293) Erbach confirmed the authenticity of this report, L 6a from Brno, a copy of which was sent to him on Aug. 29 (K1108/K284283-84).

construction of strategic roads in Carinthia and the Tyrol and the tours made by Italian General Staff officers, which have for some time been observed, especially in the Tyrol, also testify to the correctness of the above-mentioned reports.²

By order:
VON RENTHE-FINK

² Typewritten marginal note: "This information came from Colonel v. Stülpnagel, with whom I spoke today regarding the reports from General Muff and the Consulate at Brno. Both he and the Abwehr told me that the report came from the Federal Ministry itself and could therefore be regarded as absolutely reliable. Certain particulars of the Austro-Italian agreement were still being investigated. Herr v. Stülpnagel hoped to give us a final view at the end of September. He had no objection to his information being passed on to Belgrade but requested that the source be kept secret."

No. 297

7570/E542619

Minute by an Official of the Reich Chancellery

BERCHTESGADEN, September 16, 1935.

NOTE ON AN AGREEMENT SUPPLEMENTING THE GERMAN-RUMANIAN PAYMENTS AGREEMENT

On September 7, 1935, an Agreement supplementing¹ the German-Rumanian Payments Agreement² was concluded. This Agreement eliminates the disadvantages for German trade with Rumania brought about by the fact that Rumanian importers were compelled to pay a supplementary duty of 44 per cent on German imports. As German goods imported into Rumania were being treated less favourably than those of Austrian, Hungarian and Polish origin, the Reich German Government had taken similar action against Rumanian imports into Germany.³ The Agreement now concluded will subject German goods to duties no heavier than those imposed on goods from other countries; in return, Rumanian goods imported into Germany will not be subject to any special duties.

This Agreement may be expected finally to eliminate the tension in German-Rumanian trade relations. Since the trade relationship between Germany and Rumania, as regulated by treaty, has been subject to frequent fluctuations since the war, it may, however, with reason be doubted whether this new settlement will be capable of preventing fresh difficulties from arising for any length of time.

Submitted to the State Secretary for his information.

W[ILLUHN]

¹ For the published portion see *Reichsgesetzblatt*, 1935, Pt. II, pp. 647-648; the unpublished portion has been filmed as 6646/E504636-50.

² Of May 24, 1935; see document No. 110, footnote 1.

³ Details of the negotiations following the imposition of the supplementary duties in June have been filmed on Serial 9711.

No. 298

8016/E576530-32

*The Chargé d'Affaires in Great Britain to the Foreign Ministry*CONFIDENTIAL
A 3146LONDON, September 16, 1935.
Received September 17.
III O 4170.

Subject: British interest in Germany's attitude to the Italo-Abyssinian conflict.

With reference to my report A 3131 of September 11.¹

It has transpired from several personal conversations which members of the Embassy have had in the last few days with officials of the Foreign Office, that official circles here, too, are at present paying closer attention than hitherto to the question of the German attitude to possible future developments in the Italo-Abyssinian conflict.

In a conversation which the Press Adviser to the Embassy, Dr. Hesse,² had with Mr. Leeper, the present Head of the Foreign Office Press Department, the latter spoke somewhat as follows:

"He did not want to let slip the opportunity of pointing out how extremely important for Britain was Germany's attitude in the matter of the Italo-Abyssinian conflict. As far as he could see, Germany had not yet decided whose side to take. The speeches on the occasion of the Attolico reception were not being taken very seriously. He wished, however, to point out how profound would be the consequences if Germany were to side with Italy at this moment. There were not often moments when the whole of public opinion in Britain was unanimous. This was now the case. To side against Britain at such a moment could not but have the most far-reaching consequences for relations between the two countries. In any case, he was uttering an express warning; the British would not easily forget, certainly not for years, were we to take sides with Italy."

On the other hand, the present acting Head of the League of Nations Department in the Foreign Office³ told another of my colleagues that the question of what would be Germany's legal position in the event of sanctions being applied to Italy was at present being investigated there. He hinted that they had no illusions as to the impossibility of making Germany participate in such sanctions by invoking the Covenant of the League of Nations. On the other hand,

¹ Not printed (8016/E576529). This report referred to British interest in Germany's attitude towards the Abyssinian conflict, particularly in view of the speeches exchanged during the presentation of his credentials to Hitler by Attolico, the new Italian Ambassador to Germany, on Sept. 8 (see also document No. 265 and footnote 3 thereto).

² Dr. Fritz Hesse, DNB representative and Press Adviser to the German Embassy in London.

³ Presumably R. C. S. Stevenson, Assistant Adviser on League of Nations Affairs.

they thought they saw in the Kellogg Pact⁴ and in the interpretation of it which is generally accepted, and which America also accepts, a possible way of approaching Germany, so that without, it is true, actively participating in sanctions, she would nevertheless support the action of the members of the League of Nations by "non-support" [*Nichtunterstützung*] of the aggressor, who was acting in breach of the Kellogg Pact.

Even though both these utterances are probably at present only expressions of the private opinion of the Foreign Office officials in question, they nevertheless seem to me to be not without interest in so far as they indicate the present trend of Foreign Office deliberations.

BISMARCK

⁴ i.e., the Treaty for the Renunciation of War as an Instrument of National Policy, signed at Paris on Aug. 27, 1928 (for the text see League of Nations: *Treaty Series*, vol. xciv, pp. 57-64).

No. 299

5576/E400335-38

The Military Attaché in Great Britain to the Reich War Ministry (Copy to the Foreign Ministry)

SECRET

LONDON [September 16, 1935.]¹

Anl. (1) zu 35/35²

[Received September 17.]¹

REPORT ON THE FOREIGN POLICY POSITION IN THE ITALO- ABYSSINIAN CONFLICT AT NOON ON SEPTEMBER 16, 1935

From a confidential source! Not to be transmitted by cipher telegrams, particularly not portions which might allow of deductions as to the source.

(1) War between Italy and Abyssinia still appears to be unavoidable.

(2) The conversation which Mussolini had at the large-scale Italian manoeuvres with Major General Haining,³ the former head of the British Operations Group (Manstein)⁴ and present Commandant of the Imperial Defence College, appeared to show that Mussolini's estimate of Britain and British opinion was *completely wrong*. Mussolini mostly asked questions and then answered them himself. Haining is a taciturn and very intelligent Scot.

(3) The British Military Attaché in Rome holds the view that

¹ The edges of the document here printed have been damaged by fire; its date and the date of receipt are taken from enclosure 2 to report 35/35 (5576/E400339).

² Report 35/35 of Sept. 16 has not been found; other enclosures (see also footnote 1 above) have been filmed as 5576/E400339-41.

³ Major General Robert Hadden Haining, Commandant of the Imperial Defence College, formerly deputy director of Military Operations and Intelligence, War Office.

⁴ Evidently a reference to Col. von Manstein, at this time Head of the Operations Section of the OKH, and presumably inserted by von Geyr for purposes of comparison.

Mussolini is completely sane; the British General Staff that he suffers from Caesarean delusions.

(4) The British Foreign Secretary's speech⁵ meets with the complete approval of the British General Staff.

In order to clarify the course likely to be taken, I pointed out that:

a) Sir Samuel Hoare's speech had not, after all, thrown sufficient light on the problem and had not prevented a well-informed French personage⁶ from subsequently expressing the very definite opinion that under no circumstances would Britain take any action.

b) Hesitant and uncertain action by the Foreign Office might achieve the exact opposite of the primary aim of British policy: the maintenance of peace.

In the opinion of the British General Staff, however, the British Foreign Office will, in principle, and despite the experience of 1914, even in future *never* be prepared to define their position except in an emergency [*Sonderfall*] and as late as possible ("to get down [off] the fence at the very last moment").⁷

(5) For Britain the question now is whether, in the event of war breaking out between Italy and Abyssinia, *major* sanctions, such as the closing of the Suez Canal, or *minor* ones, i.e., ones designed to save face, should be chosen.⁸ The decision on this appears to depend on whether France cooperates or refuses to do so.

(6) In the view of the British General Staff it is not likely that the Foreign Office will enter into further commitments to France in respect of Austria, even of the "tacit" variety [*auch nicht solche "mit Augenzwinkern"*].

(7) The following are for consideration as solutions:

a) Sanctions.

b) Britain's giving up the League of Nations. This was mentioned as a serious possibility.

c) That, alone among the Great Powers, she should keep the Covenant flag flying. In view of the statements I have heard, this solution seemed to me to be less likely.

(8) In the further course of conversation the British side mentioned, as a possibility, that a new reformed version of the League of Nations, consistent with the German Chancellor's suggestions, might be for consideration. When I interjected that, in that case, the two cornerstones of French foreign policy, "Treaty of Versailles" and "League of Nations on the French model" (i.e., a camouflaged anti-German alliance), would vanish into thin air and that France would fight tooth

⁵ To the League Assembly on Sept. 11 (see document No. 291 and footnote 1 thereto).

⁶ Footnote in the original: "A well-known French General Staff Officer who is up to date and fully informed on foreign policy."

⁷ The passage in brackets is in English in the original.

⁸ Footnote in the original: "My personal impression is that no decision on this has yet been made."

and nail against this, I was told that France would have to resign herself to this.

I gained the impression, however, that this was only a personal opinion and not one founded on the views of the Foreign Office.

My own view of the situation :

On the whole the situation must be described, in the politico-military sense, as tense.

I have previously observed a similar state of anxiety (which, however, died down in the space of a few hours) among War Office personnel during a very brief period only, early on March 18, 1935, after the German proclamation of military sovereignty and *before* the Cabinet meeting.

The *possibility* of a war between Britain and Italy must be affirmed, its probability *must still be denied*. The military evaluation of the Italian opponent only affects the British deliberations to a minor degree, while the evaluation of the political dangers as such plays a decisive part.⁹

FRHR. V. GEYR,
Major General

⁹ The document here printed was initialled by Bülow on Sept. 18; it bears heavy under- and side-linings in the crayons peculiar to Köpke and Renthe-Fink.

No. 300

2368/494181-82

Memorandum by the Foreign Minister

BERLIN, September 18, 1935.
RM 700.

I asked the British Ambassador to call this morning in order to clarify matters with him in regard to word having apparently gone out from the Foreign Office that after the latest *démarche* in Kovno¹ there was nothing more for the Signatory Powers to do in the Memel question. I told the Ambassador that it seemed to me that the British Government were inclining towards the same mistake as they had made in the Abyssinian-Italian conflict, i.e., of not wishing to see the seriousness of the situation or of acknowledging it too late. I wished therefore to request him to draw the particular attention of his Government to the Chancellor's statements at Nuremberg² re-

¹ The British, French and Italian diplomatic envoys in Kovno made representations to the Lithuanian Government on Sept. 12 and 13, 1935, when they asked for assurances that the Memel elections would be conducted in accordance with the Statute. Zechlin reported the substance of the *démarches* and the Lithuanian reply in despatches A 1265 of Sept. 13 (8967/E629204-07) and A 1277 of Sept. 14 (8921/E625038-43) respectively. See also *Survey of International Affairs, 1935*, vol. 1, pp. 257-62).

² On Sept. 15; see Editors' Note, p. 632.

garding Lithuania. People in Britain seemed to conclude that because we had put up with the Lithuanian infringements for so long in silence, things could go on for ever like this. This was out of the question and we must hold the Signatory Powers responsible if European peace were ultimately endangered by the Lithuanian Government's behaviour. All we asked was that the Memel Statute should be observed by the Lithuanians and that discrimination against the German population should cease.

The Ambassador told me that he had already frequently drawn his Government's attention to the gravity of the situation in Memel and would not fail to do so again, basing himself on the information I had given him.³

V. N[EURATH]

³ In a memorandum of Sept. 23 (2368/494186) Neurath recorded that the British Ambassador had that day informed him that fresh British representations about the conduct of the elections had been made to the Lithuanian Government, and that neither France nor Italy had joined in this *démarche*.

No. 301

2945/576018-19

*Memorandum by an Official of the Economic Department*¹

BERLIN, September 19, 1935.

e.o. IV Po. 6250.

The discussion² between President Schacht and Director of Department Sokolowski took place today in the presence of Ministerialdirektor Wohlthat³ and of the undersigned.

The discussion dealt almost exclusively with the question of payments. President Schacht adhered rigidly to his principle that he could only issue foreign exchange permits to the amount of the actual foreign exchange derived from our exports to Poland in the month before last [*sic*: preceding month] together with an advance of 7 million Zloty in foreign exchange or perhaps a little more. If, as is assumed by both sides, 20 millions are required to bridge the gap, then

¹ Counsellor of Embassy Hemmen was the leader of the German delegation at the German-Polish trade negotiations.

² In a memorandum of Sept. 13 (5643/H000742-43) Hemmen had recorded that he had been informed by telephone by the Foreign Minister that Lipski had told Neurath that the [trade] treaty was virtually completed but would founder on the question of payments, on which Poland could make no further concessions. Neurath instructed Hemmen to seek a compromise solution with the leader of the Polish trade delegation, Sokolowski, who would receive appropriate instructions, and to obtain Schacht's approval of this compromise. The Führer had declared that the negotiations must not break down over this point. Hemmen added that he and Sokolowski had worked out a compromise and that Schacht had reserved his final decision, as he was to fly to Nuremberg on Sept. 14 and wished to discuss the matter there with Neurath and possibly with Hitler. The compromise formula was recorded by Hemmen in an annex to another memorandum of Sept. 13 (9213/E647903-06).

³ Of the Reich Office for Foreign Exchange Control.

Poland must contribute accordingly. Sokolowski described this form of payment as quite unacceptable, and stated that his Government had already definitely rejected the idea of participating in an advance of foreign exchange of this sort. Later the discussion turned to the possibility of concluding a clearing agreement on a small scale instead of the treaty at present being negotiated. Both sides considered that a smaller agreement of this sort would not be very desirable and President Schacht described it as impossible, since the Poles would not concede most favoured nation treatment in return, and without this the Polish market could not be recaptured.

President Schacht finally requested Ministerialdirektor Wohlthat to put in writing the suggestion which he (Schacht) had made and to send it today to M. Sokolowski,⁴ who is returning to Warsaw this evening to inform his Government of the result of the discussions.

On the return journey M. Sokolowski remarked that he had realized that President Schacht could not be persuaded to accept the compromise suggestion, which had been studied by both sides, and that therefore he (Sokolowski) considered the prospects of the agreement being concluded to be most unfavourable. He regretted that all the work which had been done so far had been in vain. He would inform us through the Ambassador here of Warsaw's decision, which he expected to be an unfavourable one.⁵

HEMMEN⁶

⁴ No copy of this communication has been found.

⁵ No record of a statement by Lipski on this subject has been found apart from document No. 302. In a memorandum of Oct. 12 (9391/E665355) Secretary of Legation von Scheliha of the Warsaw Embassy recorded a telephone message from Hemmen in Berlin to the effect that, at Beck's wish, the trade treaty negotiations were to be resumed in Warsaw as soon as possible. The German trade treaty delegation arrived in Warsaw on the evening of Oct. 20; documents on the ensuing negotiations have been filmed on Serials 5643 and 9391. See also document No. 390. Under the provisions of the confidential protocol to the Commercial Payments Agreement of Nov. 4 (see document No. 390, footnote 3), Germany undertook to make available an advance of up to 10 million Zloty.

⁶ Marginal note: "Has been submitted to the Foreign Minister (by means of a report telephoned by Hemmen to L[ein]f[el]d[e]n). To be filed in the Foreign Minister's files. Ko[tze], [Sept.] 20."

No. 302

2945/576014-15

Memorandum by the Foreign Minister

BERLIN, September 23, 1935.

RM 712.

The Polish Ambassador called on me today and made fresh representations¹ about the conclusion of the negotiations for a German-Polish trade treaty. He said that in their attempts to show accom-

¹ See document No. 301 and footnote 2 thereto.

modation the Polish Government had gone as far as they possibly could. He, the Ambassador, viewed with concern the present trend towards a clearing arrangement, for this would be tantamount to a further decline in German-Polish trade instead of an increase, as had been intended. The safety factors which had been woven into the agreements drawn up by the two delegations were such that, even in the event of a falling off of Polish imports such as Herr Schacht feared, immediate measures could be taken to offset any resultant deficit. M. Sokolowski had travelled to Warsaw to report to the Polish Government on the outcome of his conversation with Herr Schacht. The Ambassador could not yet say what attitude his Government would adopt to the clearing arrangement which had been suggested as a last resort. He himself would greatly regret this development, since it would not only not revive German-Polish economic relations, but would lead to their further decline.

I told the Ambassador of my attempt to persuade Herr Schacht to accept the compromise draft drawn up by the heads of the two delegations² and declared that I could do no more at present.

M. Lipski then broached the vexatious railways question.³ He complained bitterly that transfers in respect of transit traffic had again come almost completely to a stop. At the present moment there were already arrears of 29½ million Zloty. He was being pressed to the utmost by M. Beck and the Polish Finance Minister to expedite the settlement of this debt. I told M. Lipski in reply that I had also discussed this question with Herr Schacht last week, but that he had said that he was unable to transfer any large sums of money. Corridor traffic, in its present form and in view of the Reich's present foreign exchange situation, was in an impossible state. But it was hard to find a solution satisfactory to both sides. I could therefore only promise him that I would repeatedly urge Herr Schacht to pay off this Zloty debt as soon as our holdings of foreign exchange made it possible to do so.

V. N[EURATH]

² No record of any discussion between Schacht and Neurath has been found.

³ See also documents Nos. 192, 204 and 217.

No. 303

9096/E639709-24

The Reich Federation of Industry to the Foreign Ministry

SECRET

[BERLIN,] September 24, 1935.

88/G/35

W 10395.

Subject: Delivery of war material to Spain.

For the attention of Senior Counsellor Sabath.

MY DEAR GEHEIMRAT: In compliance with your telephoned request we herewith venture to submit for your perusal three copies of the

report compiled by Herr von Lupin¹ on his negotiations in Spain in respect of the delivery of German war material.

Heil Hitler!

Reich Federation of Industry Secretariat
BRÜNING [?] LUPIN

[Enclosure]

SECRET

REPORT ON NEGOTIATIONS IN SPAIN IN RESPECT OF THE DELIVERY OF GERMAN WAR MATERIAL

In his despatch of August 15² the German Ambassador in San Sebastián reported that the Spanish War Minister, Gil Robles, intended to place orders for war material to a total value of sixty million pesetas. Gil Robles was inclined, in view of the condition of the trade balance between Germany and Spain, to place part of the orders in Germany. A few days later the Spanish Ambassador in Berlin visited the Foreign Ministry³ and confirmed the information received from the German Ambassador in San Sebastián concerning the proposed Spanish orders for war material. In this connection he referred to the increase in clearing transactions, which showed a clearing surplus of sixteen million Marks [in Spain's favour] despite the fact that this was a bad period for Spanish exports. He also indicated that in return for the purchase of army equipment the Spanish Government were, above all, expecting an increase in the orange quota and wished to enter into governmental negotiations on this subject. Here the Ambassador handed over a list of the army equipment envisaged.⁴ Orders which it was proposed to place this year comprised searchlights, machine guns and chassis for armoured cars. The 1936 budgetary funds would be used to purchase heavy artillery, tractors for heavy artillery, tanks, cross-country vehicles, anti-aircraft guns, sighting apparatus and aircraft.

The vagueness of the Spanish list of equipment and the Spaniards' desire for governmental negotiations caused the Reich Federation of Industry to call a meeting of firms designated by the Reich War Ministry⁵

¹ Freiherr von Lupin, Secretary General of the Export Consortium for War Material of the Reich Federation of Industry. In telegram No. 68 of Sept. 5 (9096/E639685) announcing Lupin's arrival in San Sebastián on Sept. 9, 1935, Senior Counsellor Benzler of the Economic Department requested the Embassy in Spain to support Lupin's mission in every way and to introduce him to the Spanish authorities only as a representative of the Reich Federation of Industry.

² Welzeck's report No. 2964 of Aug. 15 is not printed (5563/E397301-05).

³ Bülow's memorandum of Aug. 20, 1935, on his conversation with Francesco Agramonte y Cortijo is not printed (3015/593611-12).

⁴ Not printed (5563/E397292).

⁵ In a letter of Aug. 29 (M200/M006374-75) addressed to the Ministry of Economics and copied to the Reich Federation of Industry. In a covering letter to the Foreign Ministry from the Ministry of Economics, dated Aug. 30 (M200/M006373), it was asked that the question of the delivery of tanks be treated dilatorily.

as manufacturers of the war equipment concerned,⁶ in order first to determine whether the representatives of these firms in Madrid were already in touch with the Spanish supply authorities. This question was unanimously answered in the affirmative. None the less, it was considered necessary to despatch the Government representative requested by Spain, since this transaction clearly differed from previous orders both in its nature and in its extent.

In the ensuing departmental discussions the Reich Ministry of Economics, in agreement with the [German] Foreign Ministry, considered that the moment for sending a Government representative had not yet come, since, in view of the position with regard to the clearing transactions, the question of arms orders had obviously been prematurely linked up with that of commercial concessions. But, since the German Ambassador in San Sebastián telephoned to urge for a representative to be sent, the Reich Ministry of Economics requested the Reich Federation of Industry⁷ to send a representative to Spain and to begin by determining the extent and the exact details of the deliveries concerned.

In accordance with the request of the Reich Ministry of Economics, I was sent to Madrid on September 9. After consultation with the German Ambassador in Paris⁸ and the Military Attaché, General Kühnlethal, whose area of competence also includes Spain, I was informed by the German Ambassador in Spain, Count Welczeck, about the state of Spain's domestic and foreign affairs. He also put me in touch with a Spanish confidant of the Embassy's, Don Eduardo de Laiglesia, who from then on was my constant companion.

In the circumstances, the desired clarity as to the Spanish intentions could only be achieved by making enquiry, on the one hand of the representatives of the German firms, and, on the other, of the Spanish military supply authorities. There also presented itself the possibility of consulting such political personages as might be able to bring influence to bear on the purchasing of war equipment.

From the discussions with the representatives of the German armaments firms it emerged that tenders had been invited on two occasions in the course of this summer. The contract for four batteries of 7.5 cm. field guns had gone to the firm of Vickers. A contract for twin-engined bomber aircraft had gone to the American firm of Martin who, however, had had to undertake to build the aircraft, including the engines, under licence in Spain. At the moment tenders have been invited for air-cooled light machine guns. Orders

⁶ Copies of the report on the meeting held on Sept. 3, submitted by the Reich Federation of Industry to the Reich Ministry of Economics on the same day, and of that Ministry's reply of Sept. 4, were sent to the Foreign Ministry on Sept. 4 (9096/E639679-81).

⁷ In a letter of Sept. 4 (9096/E639679).

⁸ Roland Köster.

are also to be placed for searchlights, but the conditions of tender for these are not yet known.

The prospects of large-scale Spanish orders for armaments were generally viewed with reserve. In the opinion of the German representatives the question of orders for army equipment would depend on whether the Government were strong enough to get the necessary estimates through the Cortes. It was none the less admitted by all the representatives that, in view of the increasing political tension and the effect of the Abyssinian conflict on the western sector of the Mediterranean, the deliberations on the question of improving Spanish armaments, which have been in progress these many years, might suddenly show signs of animation.

In the Spanish War Ministry, visits were paid to the Chief of the General Staff, General Franco, the Deputy Chief of the General Staff, General Lon, and the Head of the military supply organization, Lieutenant Colonel Gaioso. From them there emerged no further details as to the type of weapons to be ordered or the size and date of the orders. I was told that, in accordance with legal provisions, war material may only be purchased by inviting tenders. The contracts for which tenders were invited were proportionate to the funds available. For the year 1935 there were only enough funds left for the purchase of machine guns. It was hoped also to purchase the searchlights this year by means of retrenchments on certain of the estimates. Considerations of trade policy could only be taken into account on the Minister's instructions. In any case, they were less concerned with obtaining finished war material than with acquiring the licences. These, often lengthy, conversations, though always friendly, produced no results whatever. In substance, they contradicted the statements, made by the Spanish Ambassador in Berlin, that the Spanish Government intended to place extensive armament orders in Germany.

In the circumstances it was necessary to pay a third series of visits to the most important of the Cabinet Ministers, above all to the War Minister. These visits were arranged by Laiglesia. They were made only to the Ministers of the so-called CEDA Party, which represents the Catholic right wing. The CEDA Party, whose leader is the War Minister, Gil Robles, and whose deputy leader is the Minister of Justice, Casanueva, is not only numerically the strongest party in the present Cabinet but in Gil Robles it has the man who is acknowledged to be the most important political personality of the day. In these conversations I laid special emphasis on the danger which the existence of a Reichsmark clearing surplus constituted for Spanish exports immediately before the start of the orange season. All the conversations, including those in the War Ministry, were confirmed by the communication of an *aide-mémoire* in Spanish.⁹ Casanueva and Gil

⁹ Not found.

Robles received us with friendly interest. Gil Robles promised me that he would furnish us with final particulars of his proposed purchases.

These soundings were completed in six days. At first they produced no substantial results of the kind envisaged in my terms of reference. On the other hand, the circumstances which had led to the *démarche* made by the Spanish Ambassador in Berlin gradually emerged. These circumstances were then to some extent confirmed by a letter which Don [Eduardo] de Laiglesia sent to the German Ambassador, Count Welczeck,¹⁰ according to which the CEDA Ministers met in San Sebastián at the beginning of August to discuss Spain's position both in domestic and foreign affairs. Their conclusions were somewhat as follows:

"The Communists are active in internal affairs. Should these well-organized Communist groups succeed in collaborating with the equally well-organized trade unions, as ordered by the Comintern Congress in Moscow,¹¹ then the present bourgeois Coalition Government would be seriously endangered. The Government have no political forces at their disposal which could effectively resist the Leftists. The only power which could then prevent a revolution would be the Army. Thus the War Minister holds what amounts to a key position in home affairs, especially if he increases the striking power of the Army by improving its equipment.

"A modernization of and increase in armaments is also required by the international situation. If Spain wishes to safeguard her neutrality and prevent the Balearics from being occupied as a naval base by foreign Powers in the event of hostilities in the Mediterranean, then she must provide the necessary means of defence with all possible speed.

"War material must be obtained in such a manner as will result in commercial advantages for Spain. Spain has an active trade balance only with France, Holland and Germany. There is a trade war with France,¹² who cannot therefore be regarded as a supplier and is in any case a disagreeable neighbour. Holland is unable to supply the required equipment in sufficient quantities. Thus, in the first place, only Germany remains.

"The Army can only be equipped on the required scale within the framework of a three-year development programme. The implementation of the programme depends on internal stability, which

¹⁰ A translation of Laiglesia's letter of Sept. 14, 1935, was sent to the Foreign Ministry by the Embassy in Madrid with report No. 3021 of Sept. 18 (9096/E639697-707).

¹¹ The Seventh World Congress of the Communist International was held in Moscow, July 25-Aug. 20, 1935.

¹² On Apr. 30, 1935, the Spanish Cabinet denounced with immediate effect the commercial treaty with France concluded on Mar. 6, 1934. This action was taken in consequence of increased French duties on Spanish fruit and vegetables; Spain in her turn imposed a quota for French motor-cars.

requires that the War Minister's party—the CEDA—should at least retain the influence it has at present. It must make sure of retaining this influence by means of the requisite election funds. An obvious step would be to link the raising of election funds with the placing of the orders."

The decisions taken as a result of these deliberations, which very probably originated with Casanueva, were then immediately put into effect. In order to demonstrate to the other Cabinet Ministers the need for obtaining war material chiefly from Germany, a sort of strike was organized in the Bilbao ore mines. On the grounds that it was no longer possible to export in sufficient quantity the iron ore which was sent almost exclusively to Germany, the dismissal of workers was proposed. This resulted in a workers' delegation calling on the Minister of Labour and pointing out the dangers of increasing radicalization in the event of large-scale dismissals. An employers' delegation approached the Minister for Industry and demanded that the export of iron ore to Germany be safeguarded by the importation of German products. At the same time the Spanish Ambassador in Berlin was requested, apparently in confidence, to consult the competent authorities in Berlin. The fact that he turned this into an official *démarche* with the Foreign Ministry was explained to me on several occasions as a regrettable blunder, which was likely to alert the Foreign Minister,¹³ who belongs to the Radical Party, and his friends. Finally Don [Eduardo] de Laiglesia was instructed to get in touch with Count Welczeck and indicate the Spanish Government's willingness to negotiate with Germany on the delivery of war materials.

In the light of these circumstances it was necessary to ask the Chief of the General Staff most urgently to make known the details of the proposed purchases.

In reply to my representations General Franco let me know that:

1) For the purpose of reviving industrial activity in the small arms centre of Eibar (the Spanish Suhl),¹⁴ he intended to obtain from Germany the licences for the 2 cm. automatic cannon and for a 1 kg. incendiary bomb.

He himself informed me that:

2) As far as possible the following would be bought from Germany in the immediate future: heavy artillery (15 cm.), tractors for the motorization of heavy and light artillery, cross-country vehicles for transporting artillery and infantry ammunition, tanks, 3·7 cm. anti-aircraft guns, fire-fighting apparatus, searchlights. Their most immediate interest was the heavy artillery. Funds were available for these purchases.

3) Two Spanish officers, Artillery Majors Barra (former Military

¹³ Juan José Rocha y García.

¹⁴ A manufacturing town in Saxony.

Attaché in Warsaw and now at the War Ministry) and Ercilla (Commandant of the Gunnery School) were to leave for Germany immediately to inspect this equipment.

In respect of these statements it was worthy of note that General Franco, who had been extremely reserved on the occasion of my first visit, now took up the question of these orders most energetically. The aggravation of the political situation in the Mediterranean may have contributed to this. On the other hand, it was clear that Franco had by now been informed of the CEDA's plans and had apparently agreed to them.

In view of General Franco's attitude, my next step obviously was to ask him in how far the present regulations, under which tenders must be invited for all contracts for army equipment, would still apply. The reply was that a decree, published a few days ago, permitted *purchases to be made direct*, if the political situation rendered this necessary. Moreover, the principle, at first propounded with such obstinacy, that only licences for the expansion of a national armaments industry should be acquired, has been substantially modified in that General Franco declared that he would not engage a single extra worker for any of the State arms factories. He was only concerned to keep Eibar fully employed, which had lost a large proportion of its sales as a result of the prohibition of the sale of small arms to private customers.

So much for the General Staff's supplies programme. The proposed method of effecting the transactions is described in Laiglesia's aforementioned letter to the German Ambassador. The substance of the letter, which concerns the measures to be taken—and which was probably drafted by the Minister of Justice—was repeated to me in outline by the Chief of the General Staff. In a literal translation it runs as follows:

1) The offers of material from the various German firms shall always be submitted through the Reich Federation of Industry's representative, in order to ensure that they are all set out uniformly and to avoid any competition, both amongst the individual firms and in respect of the material to be purchased by the Spanish State.

2) The task of representing the Reich Federation of Industry, as far as its relations with the Spanish State and the purchases of war material are concerned, shall be entrusted to me (Laiglesia); this appointment shall have a duration of no less than three years, i.e., the period over which the purchases concerned are to be spread.

3) This agency shall operate on the basis of a commission which, though paid to me, would also be used to discharge my obligations to my colleagues.

4) All the work shall be centralized in this agency. The individual representatives of the various German firms concerned would cooper-

ate in technical matters, but would not be allowed to take independent measures without the approval of the Reich Federation.

5) The representatives of this group shall be obliged to inform the Reich Federation of anything appertaining to the purchase of material, no matter how confidential the information. It shall, however, exercise its own judgement in deciding what information it considers suitable for communication to the various firms.

6) Any action undertaken by any of the firms shall require the agreement and approval of the Reich Federation, so as to ensure that the measures taken shall not clash with one another.

7) This method of procedure shall apply to finished war material as well as to the sale of patents and licences for manufacture in Spain.

In the Spanish view, therefore, the agency for the transaction of deliveries of war material would work as follows: Laiglesia, as the Spanish CEDA Ministers' representative, shall maintain the necessary contact with them and with the supply offices of the General Staff. He shall also represent the Reich Federation or, alternatively, a syndicate of German suppliers to be established and controlled by the Reich Federation. The syndicate shall negotiate from Germany with him alone. Only the technical details of a contract shall be negotiated between the representatives of the firms hitherto employed and the Spanish supply offices, and then only with the prior consent and approval of the Reich Federation.

The reason given by the Spanish for this arrangement was that it represented the middle course between Government transactions and purely private contracts. Army equipment was not a suitable item for Government transactions, above all, not with Germany (Law on War Material),¹⁵ whilst with purely private transactions there was the danger that the extreme discretion necessary in view of the intended monopoly in supplies would not be maintained. In consequence, the business would have to be centralized and the Reich Federation would have to designate the supplier firm in each case. I promised Laiglesia that I would submit this suggestion to the Reich Federation.

In the question of assessing the Spanish proposals, firstly concerning a certain degree of exclusiveness with regard to purchases of war material from Germany and secondly in respect of the execution of these transactions, I can only rely on the judgement of certain trustworthy experts in the field of Spanish affairs. They consider that since the birth of the Republic the linking of State transactions with the party and private interests of responsible personages is nothing out of the ordinary. If the CEDA, which, as I have mentioned, counts some powerful personalities amongst its adherents, proposes to Germany what amounts to a monopoly in the supply of arms, then this

¹⁵ Of July 27, 1927; for the text see *Reichsgesetzblatt*, 1927, Pt. 1, pp. 239-242.

offer should be given most serious consideration, especially as German arms deliveries to Spain could without difficulty be fitted into the framework of the German-Spanish Trade and Payments Agreements¹⁶ and might, in certain circumstances, enable us to purchase greater quantities of Spanish raw materials.

The speed with which the General Staff has made its decisions is considered remarkable. It goes to prove that the Spanish Cabinet considers the situation to be serious. Germany should make use of this circumstance to achieve practical results as soon as possible.

It is not impossible, in view of the conditions obtaining in Spain, that the CEDA might one day disappear from the Government¹⁷ and might bring down with it in its fall not only the War Minister but also the Chief of the General Staff and of the supply office. But this is less likely to happen in the case of the CEDA than of any other party.

The procedure proposed by the Spanish will presumably not lead to any difficulties on the Spanish side, as long as Laiglesia's activity is confined to maintaining contact with party friends and between the party and the General Staff and to receiving the commission. His personality, however, does not fit him for the task of representing the Reich Federation or a corresponding syndicate. Should the Spanish proposals be accepted, it would be necessary to send a German representative to Madrid, or alternatively to appoint a German residing in Madrid, who has a thorough knowledge of Spanish conditions in general and of the arms business in particular.

In connection with these proposals, attention has also been drawn by qualified persons to the prospects which these arms deliveries, if carried out, would open up for Germany. Since the War the Spanish Army has preferred to obtain technical information on arms from France, and the Navy from Britain. Spanish armaments are today in the main obsolete. Should the German arms industry now succeed in establishing a foothold in Spain, then it would be possible to create a good market for German war material there, even after the completion of the three-year supply programme, since both the standards and the contacts would then be in Germany's favour.

Moreover, closer relations between the German and the Spanish Armies could also contribute towards reviving and strengthening Spain's friendship, which proved itself in the War. It must not be forgotten that the Spaniard, with few exceptions, is by nature lacking

¹⁶ Trade Agreement between the German Reich and the Kingdom of Spain, of May 7, 1926, and the Supplementary Agreement of Dec. 21, 1934; for the text see *Reichsgesetzblatt*, 1926, Pt. II, pp. 296-308 and *ibid.*, 1934, Pt. II, pp. 1403-1404, respectively.

¹⁷ The Lerroux Cabinet in fact resigned on Sept. 20, 1935, and was replaced on Sept. 25 by a new Government, headed by the former Finance Minister, Chapaprieta (non-party), in which Lerroux became Foreign Minister and Gil Robles remained Minister for War. A further Cabinet reshuffle, in which Lerroux and Rocha were dropped, took place on Oct. 30.

in understanding for developments in Germany, and that above all, the religious disputes in Germany have been treated none too kindly in the Spanish press. But if an enduring link, cemented by economic factors, were now to be established with the leading Catholic party, this might in certain circumstances also afford opportunities of influencing public opinion and thus benefiting German-Spanish relations.

LUPIN

No. 304

8017/E576946-48

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Telegram [Airgram]

No. 193 of September 26

LONDON, September 26, 1935.

Received September 27—9:45 a.m.

III O 4532.

I have just had a quite lengthy conversation with the Head of the Foreign Office Press Department, Leeper, on whom I called to obtain information. Leeper spoke fairly frankly about the general political situation and maintained, with regard to developments in the Italo-Abyssinian conflict, that British policy had hitherto proved extremely successful. Probably no one now doubted that Mussolini would take action against Abyssinia; on the other hand, however, it was equally certain, particularly after today's resolutions by the Council of the League of Nations,¹ that the League would continue to take the clear line, which, thanks to the British initiative, it had hitherto followed, of intervening against any act of aggression. From the start no one here had doubted that France, faced with a decision, would side with Britain, and during the last few days there had been a very far-reaching *rapprochement* (Leeper strongly emphasized the words "very far-reaching") between Britain and France. The British Note² in reply to France had been communicated this afternoon, but would not be published before Laval's return to Paris, i.e., not for two or three days. It would be published in order to avoid the rumours which are otherwise attached to an exchange of Notes. He could tell me nothing more definite today about what the Note contained, since this was not yet known even to the French Government. The

¹ On Sept. 26 the Council of the League of Nations considered the report of its Committee of Five and appointed a Committee of Thirteen to draft the report provided for by Article 15, paragraph 4 of the Covenant; see League of Nations: *Official Journal*, November 1935, pp. 1201-1202.

² For the text of the British Note of Sept. 26 (published in the press on Sept. 30) see *Documents on International Affairs, 1935*, vol. II, pp. 300-302; the terms of the French enquiry of Sept. 10 concerning the British attitude to the immediate and effective application of all the sanctions provided in Article 16 of the League Covenant in case of a violation of the Covenant and a resort to force in Europe are contained in the British Note.

exchange of Notes between the two countries was due to a French initiative, for it was characteristic of the French mentality always to want to have something in writing.

Leeper attributed the joint communiqué of the British and Italian Governments,³ and also the visit which the British Ambassador paid Mussolini on the special instructions of the British Foreign Secretary,⁴ to the common desire of Britain and Italy to bring the conflict, which had intensified into a direct Anglo-Italian quarrel, back to its original basis of a difference between Italy and the League of Nations. This desire had, indeed, been realized, for the Italian press had in fact ceased its malicious attacks on Britain, which the Government here could no longer tolerate in silence. It was therefore possible to speak of a *détente* between Britain and Italy, although it would naturally be a mistake to infer from this a *détente* between Italy and the League of Nations, between whom the conflict remained as acute as before. Leeper admitted to me that the reduction of tension between Britain and Italy was to be reckoned as pure gain for Britain, who was keeping in the Mediterranean, at full strength, the fleet which she had sent there.⁵ He thought it idle to indulge now in prophecies about the probable future development of the conflict. Britain would in any case pursue quietly and consistently the course which she had now embarked upon, and, once France had been won over, the support of the other members of the League was as good as certain.

Finally, Leeper spoke briefly about Germany and described the British attitude to Germany during the last few months as "cool". Friendly remarks by individual Englishmen made no difference. He said it was remarkable that, throughout the last few weeks, when the Abyssinian conflict was becoming increasingly acute, not a single voice had been raised in the press in favour of a *rapprochement* with Germany, and said he thought this reserve was primarily due to the measures against the Jews and the Churches.

BISMARCK

³ Communiqués were issued in London and Rome on Sept. 22 stating that an exchange of communications had taken place on Sept. 20 between Sir Eric Drummond, the British Ambassador in Rome, and Signor Suvich, giving mutual assurances that the military and naval preparations in the Mediterranean Basin were purely precautionary and did not imply aggressive intentions. See *Documents on International Affairs, 1935*, vol. II, p. 299.

⁴ A communiqué published in Rome on Sept. 25 stated that Mussolini had received the British Ambassador who communicated to him a personal message from the British Foreign Secretary, Sir Samuel Hoare, who, speaking as an old friend of Italy, showed himself particularly desirous of eliminating every useless misunderstanding between the two countries. See *Documents on International Affairs, 1935*, vol. II, p. 299.

⁵ The British Mediterranean Fleet, which had left Malta for the eastern Mediterranean at the end of August, was joined there by a large part of the Home Fleet during the first half of September; other units of the Home Fleet arrived at Gibraltar (see *The Times* of Sept. 19, 1935).

No. 305

8921/E625067-73

Memorandum by the Director of Department II

BERLIN, September 27, 1935.

IV Rd. 4337.

The French and British Ambassadors this morning asked for an appointment to see me on an urgent matter. No similar enquiry was received from the Italian Ambassador in the course of the morning. As, however, it has been arranged for me to pay him a return visit this afternoon, it is probable that he will make use of this opportunity to carry out the instructions he has received on this matter. The French and British Ambassadors called successively and each presented copies of the attached communication on the Memel question¹ dated September 27.

The French Ambassador called first. François-Poncet gave an oral explanation of the contents of his written communication to the effect that the Signatory Powers intended by their communication to let us know that they had left nothing undone to hold Lithuania most particularly to her treaty obligations, as the Reich Chancellor had demanded in his Nuremberg speech.² Further, the Signatory Powers wished to announce their firm determination to continue particularly to concern themselves with the Memel problem and to see that the Memel Statute was respected by Lithuania and that peace and quiet reigned in the Memel Territory at last. Corresponding declarations and assurances³ by the Lithuanian Government were to hand so that the Signatory Powers were justified in hoping that the peaceful development of affairs would lead to a *détente* in German-Lithuanian relations.

In his oral statements the Ambassador significantly did not refer to the information contained in the final paragraph.

In my reply it was precisely this last paragraph which I picked out, and I said I was astonished that in this document we should, in the last analysis, be placed on the same footing as Lithuania. The Signatory Powers were sitting, as it were, in judgement over two quarrelling neighbours to whom it was considered necessary to hand out both good advice and blame. That was completely to misunderstand the situation. In this respect I in no way wished to expatiate on the difference in size between Lithuania and Germany but merely to draw attention to the fact that it was exclusively Lithuania who, by constantly violating international obligations and continually

¹ The British Note (8921/E625074-76) is identical with the French Note reproduced as the enclosure to the document here printed.

² Of Sept. 15; see Editors' Note, p. 632.

³ See document No. 300, footnote 1.

persecuting Memel citizens of German descent, had ultimately created the situation which the Signatory Powers, by their own statements in the first part of the document, had themselves at last admitted was intolerable and in need of remedy. I briefly described to the Ambassador the historical development of affairs in Memel and at the same time refuted most emphatically the assertion in the first paragraph of the document that only in the last two years, that is since the Führer came to power, had unrest and agitation become apparent in the Memel Territory. I called to mind the constant differences and disputes which for decades we had had to fight out with the various Lithuanian Governments and I then pointed out that the document which lay before me spoke indeed of the "constant" efforts of the Signatory Powers, but at the same time did not explicitly admit that they had hitherto always been abortive. (As I was dictating these lines, the French Ambassador telephoned and informed me that, in agreement with his British colleague, he had established that the phrase "for the last two years" [*"au cours des deux dernières années"*], objected to by me, had been incorrectly deciphered; the word "*deux*" should be struck out. He said that this should meet my objection to this phrase, to which I agreed.)

I said that there was no cause to give us warning or advice. If there had really been any incidents in Germany connected with Memel which could be objected to by the Signatory Powers, then they could only have been in connection with an understandable and justified reaction to the fact that our fellow Germans were constantly being deprived of their rights and maltreated. I drew the Ambassador's attention to the Reich Foreign Minister's most recent pronouncement on the Memel question, in which he had explained that it was not Germany, who made the maintenance of peace a guiding principle of her policy, who was threatening her small neighbour Lithuania; "the Lithuanian Government have for long been engaged in a ruthless war of extermination against the Memellanders, who are basically alien to her, and against the statutory autonomy. . . ." "Lithuania has it in her power to restore justice and law in the Memel Territory and to remedy injustice and oppression."⁴

There must be a fundamental reversal in Lithuania's policy; only then would peace and order reign in Memel. It was the business of the Signatory Powers to continue to exert pressure, which had recently admittedly at last been effective, on the Lithuanian Government, as the Führer and Chancellor had demanded in his Nuremberg speech to which the Ambassador himself had alluded.

The Ambassador replied that I had surely commented on the final paragraph, to which I had so strongly objected, in too unfriendly a manner. In this paragraph there was no mention of blame or advice

⁴ The reference is uncertain. No such statements by Neurath have been traced.

but merely of the hope and desire of the Signatory Powers, couched in the most careful terms, that, when by the proper conduct of the elections and the observance, in other respects too, of the Memel Statute, Lithuania for her part had created a new situation, we, for our part, should show ourselves prepared for a reconciliation with Lithuania.

At the end of the conversation the French Ambassador told me that, as far as his information from Paris went, the Signatory Powers would today or tomorrow make a corresponding announcement in Geneva,⁵ though in what form and on what occasion he did not know. I strongly advised that a statement in the sense of the last paragraph of the document he had communicated should in no circumstances be included.

The Ambassador added finally that he would give no information whatever to journalists here about his visit to me and asked me how we intended to deal with the press. I reserved full freedom of action in this matter.

The British Ambassador, who appeared an hour later, confined himself to communicating an identical document and stated briefly that, as he had already told the Reich Foreign Minister, his Government would continue to concern themselves most emphatically with calling Lithuania to order and with establishing constitutional and orderly conditions in Memel. Sir Eric knew nothing of the announcement, referred to by M. François-Poncet, which was allegedly going to be made in Geneva. He had no instructions regarding the treatment of the *démarche* in the press. I informed him too that we reserved our decision on this.

KÖPKE

[Enclosure]⁶

BERLIN, September 27, 1935.

Being desirous of ensuring that the autonomous régime in the Memel Territory is applied in conformity with the Convention of May 8, 1924, the Governments of France, the United Kingdom and Italy have continually endeavoured to see that suitable steps were taken to calm the agitation which, for the last two years,⁷ has been apparent among the population, to restore relations of confidence between certain local authorities and the Lithuanian Government, and to ensure that the institutions provided for by the Statute should function normally.

⁵ On Sept. 27 representatives of the British, French and Italian Governments at Geneva delivered a joint letter to the Secretary General of the League giving details of the action taken by their Governments and of the assurances given by Lithuania (see *The Times* of Sept. 28, 1935).

⁶ This enclosure is in French in the original.

⁷ See also footnote 3 above and document No. 306.

Since the main obstacle is the difficulty of maintaining the collaboration essential between the Directorate and the Diet, the three Governments consider that the expiry of the term of office of this Assembly after the usual period constitutes a circumstance favourable to the restoration of normal relations between a Diet fully representative of the population and an executive body enjoying the confidence of this Assembly.

The Statute of the Memel Territory does not lay down how soon after the expiry of the Diet's term of office elections must take place. The three Governments consider that the sooner the new Chamber is elected, the sooner it will be possible to form a Directorate whose authority cannot be contested.

The three Governments have continually urged on the Lithuanian Government the necessity of ensuring that the autonomous régime should function as laid down in the Statute and of their exerting a pacifying influence as far as was within their power. They have also urged the necessity of not deferring the date of the elections fixed for September 29 and of not introducing provisions into the electoral law apt to prevent the various elements of the population from registering their opinions under conditions of complete equality.

The Government of Kovno have publicly announced that the elections fixed for September 29 next will not be postponed, that they will be conducted in conformity with the laws obtaining, apart from the modifications introduced by the Law of August 15,⁸ modifications limited in scope and not designed to affect the trustworthiness of these elections, and, lastly, that it is not anonymous groups, but a certain limited and specified number of individuals who will be disqualified.

The three Governments have received formal assurances from the Lithuanian Government in this respect. They have also been assured that when the elections are over the new Diet will assemble within the legal term and that the Directorate will be constituted in accordance with the provisions of the Statute. These assurances have just been renewed at Geneva to the representatives of the three Governments by the Lithuanian Foreign Minister.⁹

The three Governments see, in the attitude evinced by the Lithuanian Government, a sincere desire to help to restore tranquillity and to bring about a *détente* in German-Lithuanian relations by ensuring that the Statute operates normally.

They express the hope that the German Government will recognize the desirability of showing similar intentions where they are con-

⁸ German translations of the amendments to the Sejm and Memel Landtag Electoral Laws, contained in the Lithuanian Gazette [*Regierungsanzeiger* Nr. 493], dated Aug. 14, but published on Aug. 16, were enclosed with Kovno despatch A 1085 of Aug. 16 (8967/E629040-55). Instructions for *démarches* with the Signatory Powers in protest against these amendments were contained in a despatch of Aug. 22 (8967/E629078-85) addressed to the Embassies in London, Paris and Rome.

⁹ On Sept. 25; see *The Times* of Sept. 26, 1935.

cerned and that in this spirit they will be prepared, by taking all expedient measures, to contribute towards tranquillizing and improving relations between the Reich and Lithuania.

No. 306

8967/E629279-82

Memorandum by the Director of Department II

BERLIN, September 27, 1935.
e.o. IV Rd. 4336.

When I paid a return visit to his Embassy today the Italian Ambassador first communicated to me, as I had expected, the attached written communication¹ about the Memel question, whose text agrees with that handed over to me this morning by the other two Ambassadors. Signor Attolico pointed out to me, however, that the expression "*two years*",² to which I had objected, was not in the copy he had given me. He proved to me with the aid of the text as originally deciphered that the text had arrived as it now stood. There must therefore have been a genuine deciphering error in the French Embassy. The text which the *British* Ambassador had communicated must necessarily agree with the Italian one, since the British Ambassador, when he had not received the text from London by 10 o'clock this morning, obtained it from the Italians.³ Otherwise Signor Attolico made no further statements about the document; he was obviously not fully acquainted with its contents, for when I objected to the final paragraph he asked me to read it to him once more. The Ambassador then strongly emphasized that nothing was further from his Government's mind than to give us any advice or rules of conduct, much less to reproach us on account of Lithuania; they only wished to express their confident hope that better times were now dawning for Memel.

In conclusion I told the Ambassador quite frankly that I was sorry that the Italian Government had given us such remarkably feeble support over the Memel question. I found it all the harder to understand since, over the Saar question for example, the Italians had certainly proved that they were Germany's warm and energetic friends. Signor Attolico could give no real reason for this and confined himself to remarking that the Italians were not interested in the [Baltic] Border States and therefore always did there what was most

¹ Not printed (8967/E629281-82); see document No. 305, enclosure.

² In French in the original.

³ In a memorandum of Sept. 28 (3015/597748-49) Köpke recorded that during a conversation that day Newton had stated that the phrase "*two years*" in the document communicated to Germany had only been deleted from the French text after he, Köpke, had objected to it. Köpke had not pursued this detail which, though not entirely consistent with the Italian Ambassador's statements, was now of no importance.

convenient from the point of view of their general policy. It was with this naïve statement, made in the most friendly way, that the conversation ended.

KÖPKE

No. 307

9565/E673647-52

*Unsigned Memorandum*¹

[BERLIN, September 27, 1935.]¹

OBSERVATIONS OCCASIONED BY THE IMPENDING DISCUSSIONS² BETWEEN THE HUNGARIAN MINISTER PRESIDENT AND THE FÜHRER AND CHANCELLOR

I. Hungary's orientation in foreign affairs.

It is obvious that developments in the Italo-Abyssinian conflict have caused grave anxiety in Hungary, since they tend to divert Italy's attention from problems of interest to Hungary and since, in the present circumstances, Mussolini cannot but desire a *détente* in Italo-Yugoslav relations. As Hungary will in future no longer be able to depend on receiving support from Italy on the same scale as before, she evidently feels the need more than hitherto to seek support from a Germany who is becoming an increasingly important power factor. Thus Hungary is, of necessity, faced with the question as to what extent the new situation in Europe demands a readjustment of her present policy. Any decisions which Hungary may take in this respect will of course still depend upon further developments in the Italo-Abyssinian conflict and its repercussions on the attitude of the great Powers.

To what extent Hungary would be prepared to adjust her policy to fit into the framework of Germany's overall policy cannot of course be accurately judged until after the conversations now being held between Gömbös and Göring have been concluded. It is a fact, however, that there has been a certain *détente* in Hungarian-Yugoslav relations, and it seems that in general the idea of paving the way to

¹ A covering note, dated Sept. 27 (9565/E673655), from Renthe-Fink to the Acting State Secretary, reads: "Attached is a short note for submission to the Foreign Minister for the impending visit of the Hungarian Minister President to the Führer and Chancellor." This bears the following marginal note: "[For the] F[oreign] M[inister]. Paragraph I does not appear to me to be suitable for passing on. Otherwise the memorandum contains an accurate, succinct account of the present state of the various problems. Köpke, Sept. 27."

² Details of the original invitation have not been found, but, according to a memorandum by Heinburg of Sept. [22] (9565/E673613-14) recording a telephone conversation with Mackensen, Gömbös was to spend the period Sept. 26-28 on a hunting trip in East Prussia, at Göring's invitation, and to follow this up with an official visit to Berlin beginning on Sept. 29. This memorandum concluded as follows: "... Regarding the subjects for discussion, Herr von Mackensen informed me that one more special question would probably come up; a representative of Rheinmetall would be coming to see the Foreign Ministry about this."

better relations with Yugoslavia has gained ground. Nevertheless, it cannot at present be foreseen whether Hungary is at this stage prepared to make the sacrifices which will inevitably be necessary if an understanding with Yugoslavia is to be achieved. The chances of reaching agreement with Yugoslavia without at the same time coming to terms with the two other States of the Little Entente have so far been viewed with considerable scepticism.

Judging by past experience it is to be expected that the Hungarians will try once again to tie us down to certain commitments. As a general principle it should in future be borne in mind that, in any political collaboration with Hungary, there must be absolutely no doubt about the primacy of German leadership. In view of the natural links and the community of interests between the two countries, commitments *vis-à-vis* Hungary³ such as would restrict our political freedom of action will not be necessary, and should be avoided. Moreover, we shall have to proceed from the axiom that the effect of friendly relations between Germany and Hungary will be chiefly and decisively dependent upon Hungary's attitude, for it is self-evident that Hungary cannot expect Germany to take her interests into consideration if she herself does not consider German interests. The Hungarians should not permit themselves to entertain any delusions such as might later cause friendly relations to deteriorate.

It is to be expected that Gömbös' visit to Germany will give rise to tendentious rumours and will cause anxiety, since it will awaken suspicion regarding aggressive designs on the part of Germany and Hungary. Although the press in Germany is exercising great care, the same restraint is not to be expected in Hungary, where, for obvious reasons, it is desired to assign the greatest possible political importance to the visit and where the visit is being connected in the press with the plan to achieve close cooperation in Central Europe between Germany-Italy-Poland and Hungary and Austria. Special value may therefore be attached to emphasizing the peaceful nature of the conversations.

II. *Danubian Pact.*

Unlike ourselves, Hungary has already sent Italy a reply concerning the familiar new Danubian Pact outline,⁴ indicating that she considers this outline to be a suitable basis for negotiation. In her reply Hungary has naturally demanded the recognition of military equality of rights in addition to making the familiar reservations regarding peaceful revision and minority rights. In this field her interests closely coincide with those of Austria. It may be assumed that if in so doing she could gain equality of rights, Hungary would be pre-

³ Marginal note in Neurath's handwriting: "There is no question whatever of that."

⁴ See documents Nos. 253 and 277.

pared to submit to a Danubian Pact. Despite Italian support, however, no agreement with the Little Entente has so far been reached on this question. On the contrary, at its last meeting in Bled⁵ the Little Entente made their consent dependent upon "increased security", which is taken to mean agreements on "mutual assistance". Both we ourselves and the Hungarians, however, reject such pacts on principle.

III. *The Habsburg question.*

Although in general close political cooperation between Budapest and Vienna may be observed, it nevertheless does not appear that Gömbös would be willing to support the Austrian Government in their efforts for a restoration of the Habsburgs in Vienna. According to our information, Gömbös takes the view that a restoration of the Habsburgs in Vienna would inevitably extend to Hungary, since the Habsburgs would not be able to maintain themselves in Austria alone.

IV. *German minorities.*

The Hungarians are particularly concerned with two points. They wish all direct influence on the German minorities from authorities in the Reich (VDA, Party authorities, etc.) to be stopped. Furthermore, they desire close collaboration between the German and Hungarian minorities in the Successor States in support of Hungary's revisionist policy. On both points it would be against our interests to enter into a general commitment. Discussion on these points may be avoided by drawing attention to the forthcoming preliminary conversations at Budapest between the Foreign Ministry's minorities expert and the Hungarian State Secretary, de Pataky, which are, at the Hungarians' suggestion, to take place on October 7.⁶

V. *Economic relations.*⁷

The economic repercussions of the German-Hungarian supplementary agreement signed in absolute secrecy last year⁸ have come fully up to expectations, even if we have constantly to exert pressure on Hungary to buy German industrial products in sufficient quantity so that the balance of trade remains even. On the other hand, the Italo-Hungarian agreements, which were concluded⁹ almost simultaneously and with boisterous political fanfares, have proved a failure

⁵ Held Aug. 29-30; the relevant reports are filmed on Serial 9608.

⁶ See document No. 274, footnote 3.

⁷ Section V is evidently based on a memorandum by Clodius dated Sept. 25 (9582/E675079).

⁸ On Feb. 21, 1934; see vol. II of this Series, document No. 322.

⁹ For the text of Protocols Nos. I [regarding consultation] and II [regarding the development of economic relations] signed at Rome on Mar. 17, 1934, by Austria, Hungary and Italy, see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-295. See also vol. II of this Series, document No. 332.

economically and have not created the closer economic link between Hungary and Italy which it had been desired to achieve.

VI. *Arms deliveries.*¹⁰

The firm of Rheinmetall has for some time been negotiating with the competent military authorities in Hungary about the supply of tank guns, anti-tank guns and mortars. The anti-tank guns with ammunition would alone cost approximately 20 million RM. If the order is placed for the quantity envisaged, then it will be a very considerable one. The firm of Rheinmetall have so far made no request whatever to the Foreign Ministry in respect of the impending visit of the Hungarian Minister President. Nevertheless, it is possible that the matter will be raised by the Hungarians with a request for financial consideration. Our attitude should be conditioned, not only by our desire to obtain the orders required to keep our armaments industry continually employed during the next few years, but also by the question to what extent Hungary is prepared to align her policy with that of Germany.

¹⁰ Section VI is based on a minute by Clodius dated Sept. 26 (6147/E460306-07). A second minute by Clodius dated Sept. 27 (6147/E460308-09) reads: "Director General Wessig [of Rheinmetall] has given me, in confidence, the following information, which supplements the data contained in my minute of Sept. 26 concerning the arms transactions between the firm of Rheinmetall and Hungary.

"Major Pabst, from whom yesterday's data originated, was not informed of Rheinmetall's largest project. He, Wessig, had, during his most recent visit to Hungary, discussed not only tank guns, anti-tank guns and mortars but had also been in negotiation with the State Secretary in the Minister President's Office and various senior officials in the War Office about a large-scale armament programme. It was proposed that under this programme Hungary should be granted a credit of 100 million marks for arms orders to be placed with Rheinmetall. Hungary was prepared to repay this credit in 8-10 years, with payments of 8-10 per cent in foreign exchange as compensation for the raw materials used by German industry. This loan was to be covered by an issue of treasury bills, at 2 per cent above the Reichsbank discount rate, and falling due after a period of three years in 16 half-yearly instalments. Herr Wessig believes that, if the transaction were indeed to go through, this payments programme could be improved by making the bills payable after one year in 14 half-yearly instalments. In this case payment during the first two years would have to be made in the form of Hungarian deliveries of goods. It was also proposed that there should be, *inter alia*, a delivery of 50,000 tons of bauxite (which we urgently required for the production of aluminium); in addition the Hungarians would probably be prepared to pay 12 per cent in foreign exchange. The question of fixing the rate of exchange raised special difficulties. He wanted to try and get the Hungarians to accept the £ basis.

"Director General Wessig yesterday also informed State Secretary Posse in the Ministry of Economics of this project; the latter will in turn report to Herr Schacht and will ask that the Führer and Chancellor be informed. In case M. Gömbös brings the matter up while he is here, Herr Wessig will hold himself in readiness in case he should be required to provide further details.

"Herr Wessig particularly requested that his information should be treated as strictly confidential."

No. 308

8020/E577213-15

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 179 of September 28

ROME, September 28, 1935—11:25 p.m.

Received September 29—1:30 a.m.

III O 4370.

Today, after my return,¹ I called on Suvich and discussed the political situation with him. The general impression I gained from what he said was that, although an immediate commencement of operations in Abyssinia has not yet been ordered and is not yet absolutely certain, it is extremely probable. Suvich described conditions now obtaining in East Africa as intolerable, particularly as officers and men were becoming increasingly nervous and impatient. The withdrawal of Abyssinian troops to 30 kilometres behind the frontier² could only increase the tension; the Italians had no use for a no-man's-land between the troops in present circumstances and they would, if necessary, have to fill the resulting gap. I asked him whether the relevant passage in today's communiqué [concerning the meeting of] the Council of Ministers³ meant that Italy no longer intended to negotiate within and with the League of Nations; this he denied, emphasizing that it only meant that the Italian Government did not propose to take any initiative in this sphere.

When I enquired about the British attitude and whether negotiations were being conducted with Britain, he stated that Britain had hitherto adhered inflexibly to the League of Nations basis and consequently was not negotiating with Italy. He added ironically that the traditional friendship with Britain continued, though admittedly with marked fluctuations. I asked whether he thought that the Council of the League of Nations was unanimous in regard to sanctions, to which he replied that it depended on the type of sanctions. With regard to some, which would, however, not do Italy any hurt, unanimity would be very likely, e.g., a resolution of disapproval like that taken over Germany,⁴ or certain prohibitions on supplies; unanimity was less probable over weighty sanctions.

¹ Hassell had been on leave since the first week of August.

² The Emperor Haile Selassie had informed the League of Nations by telegram on Sept. 25 that Abyssinian troops had been withdrawn 30 kilometres from the frontier several months previously (see League of Nations: *Official Journal*, November 1935, p. 1602).

³ This communiqué had been issued after the meeting of the Council of Ministers in Rome on Sept. 28. The passage referred to stated that "the Italian Government will not take any initiative on a ground and in an environment where Italy's rights are prejudicially refused recognition". (See *The Times* of Sept. 30; see also document No. 323, footnote 8.)

⁴ See Editors' Note, p. 65.

As regards our attitude, I confined myself to saying that we were, and would remain, entirely outside this conflict. When he remarked that, although the German press was not attacking Italy, it was not infrequently showing hostility in its presentation of news, I drew his attention to numerous favourable expressions of opinion and to the inevitability of sensational reports in times like these; however, as he was aware, steps had often (and indeed quite recently) been taken to stop this, which he admitted. Besides, the Italian press, too, was, just as I had told him weeks ago, publishing what were admittedly not attacks, but nevertheless hardly ever friendly words about Germany. I referred, in this connection, to the Memel question and the unfriendly reporting in many Italian newspapers, whereupon Suvich asserted that Lithuania was constantly complaining about the biased German sources of the reports on the Memel question which were appearing in the Italian press. I replied that, apart from the question of the press, opinion in Germany was extremely unenthusiastic about the conduct of the Guarantor Powers, Italy included, and I spoke in the sense of your telegram No. 187,⁵ emphasizing that, if Mussolini had described the Abyssinian question as a touchstone for the friendship of the different nations towards Italy, the Memel question played the same part for us, the more so in view of the responsibility of the Guarantor Powers. Suvich remarked that the problems were nevertheless different, and, in particular, that the Memel dispute was an extremely complicated issue and one which it was hard to decide upon from the outside. I, on the other hand, again emphasized the profound gravity and significance of the problem.

HASSELL

⁵ Of Sept. 28; not printed (8921/E625056-60).

No. 309

9565/E673618-19

Memorandum by a Deputy Director of Department II

BERLIN, September 28, 1935.

The Rumanian Minister enquired yesterday about the significance of the Hungarian Minister President's visit to Germany. He seemed to be much disturbed by the reports on this visit which had appeared in the foreign press¹ and said he feared that they might give Rumanian

¹ Accounts of press reports and rumours current in Geneva (where the Council and Assembly of the League of Nations were in session) about negotiations for a pact between Germany, Hungary and Poland, and for an air pact between Germany and Hungary, which were provoking enquiries from representatives of other States and Polish and Hungarian *démontis*, are contained in Geneva telegrams Nos. 86, 87, 91 and 92 of Sept. 27, 28 and 30 (9565/E673617, 24, 42, 44-46).

supporters of a pro-Russian policy fresh grounds for pressing for the pact negotiations with Russia to be hastened. He also drew attention to the great hopes which he said the Hungarian press was attaching to the conversations between the Hungarian Minister President and German statesmen.

I explained to M. Comnen that the Gömbös visit was non-political in character and pointed out that the reports which he had mentioned were highly tendentious propaganda, which was obviously designed to dispose, by misdirection, of such doubts as were still entertained in Rumania about the conclusion of a pact with Russia. I also told him that I could not understand how a serious politician could take at its face value the wishful thinking of a few Budapest newspapers. The Führer and Chancellor's statements provided the best possible proof that we should not depart from a peaceful policy, whatever the plans of other States might be.

M. Comnen then spoke of the visit of State Secretary Milch to Budapest;² the coincidence of this visit with the Göring-Gömbös conversations seemed to strike him as remarkable. I replied that all the speculations concerning State Secretary Milch's visit were entirely devoid of foundation.³

RENTHE-FINK⁴

² General Erhard Milch, the State Secretary in the Air Ministry, arrived in Budapest on Sept. 25 for a short visit, an account of which is contained in an unsigned memorandum of Sept. 30 (9565/E673656-57).

³ In a memorandum dated Sept. 28 (9565/E673620-22) Renthe-Fink recorded a conversation held that day with the Yugoslav Minister, who raised the question of the press speculation about Gömbös' visit to Germany.

⁴ Marginal note: "Urgent. H[err] v. Renthe-Fink. Is Bucharest in the picture? Or are we going to inform all the Missions concerned, in one comprehensive inf[ormatory] telegram, of the Gömbös visit as soon as it is over? Köpke, Sept. 29."

No. 310

9614/E678593-98

Reich Minister Schacht to State Secretary Lammers

BERLIN, September 28, 1935.

zu Rk. 8018.¹

DEAR HERR LAMMERS: I hear there is a possibility that, when the Hungarian Minister President, Gömbös, visits the Führer and Chancellor tomorrow, a transaction for the delivery of armaments to Hungary, of which we are only informed in outline, may, amongst other things, be discussed. It has been agreed with the War Ministry that the latter Ministry should submit to the Führer and Chancellor a memorandum on the military-political aspects of the question,² and

¹ This was a covering note by Laue, Lammers' personal Referent, dated Sept. 28 (9614/E678593), submitting the document and enclosure here printed to the Führer and Chancellor.

² Not found.

that we should handle the economic side. Please submit the memorandum in question, which is attached, to the Führer and Chancellor before the visit.

It is clear that, in view of the far-reaching repercussions which it will involve, the political decision must be left to the Führer and Chancellor.

Heil Hitler!

Yours, etc.,

DR. HJALMAR SCHACHT

[Enclosure]

BERLIN, September 28, 1935.

OBSERVATIONS ON THE *PRO MEMORIA* OF THE RHEINMETALL COMPANY³

A German credit of 100 million RM means, in view of the Hungarian potential, that Hungary would be linked, wholly and solely, to German policy and to the German market. As a result of the trade treaties concluded between Germany and Hungary in 1933,⁴ trade between the two countries increased to such an extent that Germany has now become the chief buyer of Hungarian products. Hungary has concluded a number of preference treaties with other countries, modelled on her treaties with Germany, which enable her to sell her agricultural produce at figures far above world prices. In return, Hungary has conceded a certain measure of preferential treatment with regard to imports of industrial goods. In this way, Hungary has concentrated largely, as far as her commercial policy is concerned, on the area comprising Germany, Italy and Austria.

If the German Government were to accept the Hungarian proposal and grant Hungary a credit of 100 million RM over a period of 8–10 years, or, possibly, over a lesser period, which would for the most part have to be repaid in goods through the clearing agreement, then this trade would of course have to be additional to the present exchange of goods between the two countries. This would mean that Hungary would have to increase her exports to Germany by approximately 20 per cent. On the basis of a 100 million RM transaction, the spreading of Hungarian deliveries in exchange over about eight years would mean additional Hungarian exports to the value of some 10–12 million RM yearly. It would be desirable if these additional exports to Germany took the form of cattle and livestock, feathers, hides, pork-fat, bacon, oil seed, sheep's wool and bauxite. Since Germany at the present moment offers particularly favourable terms for the import of these products and since Hungary will thus obtain payments above

³ Not found, but see document No. 307 and footnote 10 thereto

⁴ Agreements supplementing the Clearing Agreement of Apr. 13, 1932, were concluded on June 2 and July 22, 1933; for details of the former Agreement see vol. I of this Series, document No. 247, footnote 4, and for the latter see *Reichsgesetzblatt*, 1933, Pt. II, pp. 523–526; see also, document No. 307 and footnote 8 thereto.

world prices, there can be no question of perpetuating these conditions in any long-term treaty. Reconsideration of these terms and of the possibility of gradually reducing them has so far been shelved for political reasons;⁵ but we cannot, in any case, also in view of the impossibility of foreseeing developments in the world market, undertake to maintain prices on the present basis indefinitely. An overall treaty would in any case have to provide for negotiations at regular intervals on the manner and form in which these additional Hungarian deliveries are to be made and the prices to be paid for them. If it should then transpire that the Hungarians insisted, in view of their conditions of production, on maintaining exaggerated prices, then the balance would have to be kept by means of correspondingly high prices for German arms deliveries.

It must from the outset be accepted as axiomatic that the normal exchange of goods between the two countries will not be adversely affected by German arms deliveries, i.e., that these deliveries will be supplementary to the normal exchange of goods.

The balance of trade between Germany and Hungary was, up to 1933, still actively in Germany's favour, and it was only in 1934 that Germany had an adverse trade balance of 24·3 million RM. The 1935 trade balance has so far not been unfavourable for Germany, and since March it has once again begun to show a slight margin of exports in Germany's favour.

As the result of the unfreezing of very considerable amounts during the last few years, Germany has now no frozen assets [*eingefrorene Warenforderungen*] left in Hungary. The Hungarian National Bank's Reichsmark holdings in the clearing account on September 24, 1935, amounted to approximately 8 million RM, of which a portion could be incorporated in the payments scheme of an overall treaty. On the other hand, it should be borne in mind that the claims of the Reichsbank arising from a loan to the Hungarian National Bank still amount to over 17 million RM. Hungary's foreign exchange position is typified by the fact that the Hungarian National Bank demands a supplement of 25 per cent for supplying the tied clearing mark [*Verrechnungsmark*] and a supplement of 60–70 per cent for supplying foreign exchange. In Hungary foreign exchange is used solely for the purchase of essential raw materials or to defray sea freight charges. If the proposed overall treaty were to be concluded, it would have to be laid down that Hungary would guarantee payments in foreign exchange of at least 20 per cent of the bill presented to her, for the purpose of defraying the cost of the raw materials used for the German deliveries.

It is clear from the above that Hungary can pay for the arming of her army only through the clearing system [*nur auf dem Verrech-*

⁵ See also document No. 209.

nungswege] with Germany. Hungary cannot count on arms deliveries from other countries, since Czechoslovakia is excluded as a supplier. The same applies to Italy. Britain and France would probably demand payment in foreign exchange or in gold, which Hungary is not in a position to make.

This armaments transaction is economically of interest to Germany, because long-term overall treaties of this nature provide the German armaments industry with a certain measure of employment over and above that provided by home contracts. Whether the credit should amount to 100 million RM or a lesser sum is a matter for consideration. In any case, in view of the raw material situation and conditions in the labour market, due consideration must be paid to the tempo of Germany's own rearmament programme.

An overall treaty on Hungarian rearmament would have direct political repercussions on political relations between Germany and Yugoslavia, Bulgaria and Rumania, even if, in this case, one leaves out of account our relations with Italy, Czechoslovakia and Austria. It would probably be possible to accept Hungarian agricultural products in payment within the proposed framework, without this having any considerable adverse effect on Germany's capacity to accept agricultural products from Yugoslavia, Bulgaria and Rumania.

A credit of 100 million RM would in practice mean that Hungary would be economically tied to Germany, and Hungary would in consequence try to prolong indefinitely the present commercial system whereby Germany pays prices in excess of those prevailing on the world market. A development of this nature could be justified from the economic point of view, subject to the reservations detailed above. Moreover, German participation in Hungary's rearmament is worth striving for, economically speaking, even if it were to proceed on a small scale and in instalments.

In any case, the granting of a credit of 100 million RM to a country in Hungary's position would involve an enormous risk, and would place an additional financial strain on the financing of our own rearmament.

No. 311

2980/580595-98

Memorandum by the Foreign Minister

BERLIN, September 29, 1935.

RM 730.

[II Ung. 802.]¹

During his visit the Hungarian Minister President spoke first of the question of Hungary's relations with Yugoslavia. He stressed that for reasons of internal policy it was essential that he, as Minister President, should always keep the revision question in the forefront. On the other hand, he was quite convinced that Hungary could neither assert nor attain all her claims at once. The cession of territory to Serbia had been the smallest and therefore the easiest to bear. It was therefore part of both his own and the Regent's political aim to bring about a reconciliation with Yugoslavia. This, however, would only be worth while if they succeeded in detaching the Serbs from the Little Entente. It could not be foreseen when the time for this would be ripe, and so far there had been no Serbian statesman who would have dared even to speak of detaching Serbia from Czechoslovakia and Rumania. Only Stojadinović had once mentioned the idea as a possibility in future Yugoslav policy. But even if Yugoslavia should be inclined to align herself with Hungary, the latter could only reciprocate if she were assured of the support of a strong nation.

M. de Gömbös next spoke about his relations with Italy and of his pet scheme for cooperation between Italy, Austria, Germany and Hungary, with the possibility of Poland being brought in too.² He declared that in his agreements with Rome he had consistently emphasized that Hungary neither could nor would ever pursue an anti-German policy or allow herself to be drawn into any anti-German blocs. Moreover, the economic agreements with Italy and Austria³ had been justified by results. In consequence, he had been in a position to dispose of Hungarian wheat in these countries at prices above those prevailing on the world market, and this was of decisive importance where a Hungarian Minister President was concerned. M. de Gömbös then mentioned a statement made last year by Mussolini,

¹ Taken from another copy (9565/E673625-28). Under the file number II Ung. 802 Ang. I a despatch, dated Oct. 1, containing an account of the conversation, was sent to Budapest via Ministerialrat Gritzbach (9565/E673631-34); under Ang. II an account of the portions dealing with Yugoslavia and the Danubian Pact was sent to Belgrade in telegram No. 61 of Oct. 1 (9565/E673635-38), together with instructions similar to those contained in document No. 318; and copies of this telegram were circulated on Oct. 1, under Ang. III, to the Missions in London, Paris, Rome, Warsaw, Bucharest, Vienna, Prague and Berne (9565/E673639).

² See also vol. I of this Series, document No. 324.

³ See document No. 307, footnote 9.

when the latter had declared that the differences between Italy and France could never be completely eliminated, and had said that, if the French had anything to offer him, he would make use of them without in any way allowing himself to become dependent upon them. He, Gömbös, considered that once the Abyssinian enterprise had been liquidated, of the dangers of which, from the military point of view, he had in any case warned Mussolini, the Franco-Italian divergencies would re-emerge undiminished.

M. de Gömbös then spoke of Austria. He said he regretted the way in which German-Austrian relations had developed, not only for sentimental reasons because he regarded Austria as the natural bridge, both politically and economically, between Germany and Hungary, but also because an independent Austria, maintaining good relations with Hungary, Italy and Germany alike, would, in his view, be a fortunate political entity, even if Austria's *Anschluss* with Germany were regarded as a natural necessity. His views on the Habsburg question were well known. He was opposed to any sort of restoration. In any case, even in Austria he had noticed that the question of a restoration was not only not acute but was waning. The appearance on the scene of Archduke Eugene, after the decision to restore the family's possessions, had already resulted in there being no further talk about restoring the possessions of the House of Habsburg, but only of making financial settlements.

Turning to the Danubian Pact question, M. de Gömbös declared that he would prefer to see no such pact at all, and in any case certainly not one in which France and the Little Entente participated. He would welcome it if, for a start, there could be discussions between Germany, Austria and Italy, and Hungary and, possibly, Poland, concerning ways and means of bringing about between these countries cooperation, both economic and political, in the Danubian basin. Any agreements that might be reached, however, must be arrived at and formulated entirely independently of previous pact projects.

The Hungarian Minister President's deep aversion to Czechoslovakia and, in particular, to her Foreign Minister, repeatedly became apparent during the course of the conversation, as did also his mistrust of M. Titulescu.

The minorities question was not discussed owing to the shortness of the time at our disposal.⁴

V. N[EURATH]

⁴ See also document No. 814.

No. 312

5562/E396633

The Chargé d'Affaires in Greece to the Foreign Ministry

Telegram

No. 75 of September 30

ATHENS, September 30, 1935—8:20 p.m.

Received September 30—9:30 p.m.

II M 2219.

The Finance Minister has asked me to put the following question to the Reich Government by telegram:

Greece is in urgent need of war materials,¹ which, in accordance with his promise to the President of the Reichsbank,² he, Pasmazoglou, is anxious to purchase in Germany, without inviting tenders.³ This departure from the prescribed procedure by tender necessitates greater attention to the price question. He is anxious to cut out middlemen's profits and *orientalia* and asks whether the German Government would be prepared to make offers direct to the Greek Government. In reply to a question from me, the Finance Minister said that his idea was that a Commission might be set up, with a German Government official as chairman and with members drawn from the interested branches of industry, to negotiate with a Greek Commission to be sent to Germany for that purpose. The equipment in question is: military aircraft (bombers), hydroplanes, wireless equipment for aircraft, machine guns for aircraft, weapons for submarines, optical and meteorological instruments, anti-gas equipment, self-propelled artillery, motor vehicles for various war purposes, medical and supply equipment. I shall transmit a precise list of requirements, which has been promised, as quickly as possible.

The Finance Minister asked for as early a reply as possible to the basic question, which he has also put to other countries (Britain) as a condition.

KORDT

¹ See also document No. 286.

² No previous references to this promise have been found, but see vol. III of this Series, document No. 124.

³ In despatch II D 3 of Sept. 20 (5562/E396625-26) Kordt had reported a request that tanks and tractors might be purchased for the army by withdrawals from Greece's large active clearing balance with Germany rather than by the normal method of international competition by tender.

No. 313

8017/E576907-14

Circular of the Foreign Minister¹

Telegram

IMMEDIATE

BERLIN, September 30, 1935—8:20 p.m.

III O 4387.

For information.

The British reply to France² with regard to Article 16 of the Covenant of the League of Nations is viewed here as follows:

The British reply contains nothing surprising in the light of its previous history. As is well known, Britain has for years made the League of Nations policy an essential factor in her foreign policy and has accordingly also based her policy in the Italo-Abyssinian conflict upon the thesis that this is not a conflict between Italy and Britain but between Italy and the League of Nations. It is a self-evident and logical consequence of this point of view that Britain should now state, in answer to the French enquiry, that her policy will follow these same lines in other cases too. On the other hand, however, the British reply contains a number of definitions which deserve attention, particularly from the German point of view.

Among these there is, first of all, the strong emphasis on the notion that the realization of the idea of collective security must be elastic. In this respect, the observations contained in the British reply are to some extent along lines very similar to our own views, for example our attitude to the original Eastern Pact project and the automatic *assistance mutuelle* therein provided for. It is of particular significance that the British Government draw attention, just as we have always done, to the progressive evolution in political events, and thus reject the idea of a rigid adherence to formal treaty obligations. Their rejection of the idea of applying the League of Nations sanctions system to cases other than that of aggressive force is of the same order. This constitutes a noteworthy departure from the theory, presented at Stresa, that the League of Nations must also institute a fixed sanctions procedure for cases of mere non-fulfilment of international treaties.

All things considered, it can be stated that the French attempt to bind Britain, in the interests of the French *status quo* policy, to strict commitments with regard to the League of Nations sanctions has once again been unsuccessful. Britain has adhered in principle to the course which she has consistently followed since the rejection of the

¹ Addressees were all diplomatic Missions, the Consulates General at Montreal and Sydney, and the Consulate at Geneva.

² See document No. 804, footnote 2.

Geneva Protocol of 1924.³ Although we must not, of course, fail to appreciate that the developments of the last few weeks have again strengthened Franco-British cooperation over the problems of European politics, still the British Government have taken care to retain a large measure of freedom of action for themselves.

NEURATH

³ The reference is to the Protocol for the Pacific Settlement of International Disputes, the acceptance of which was recommended by the League of Nations Assembly to all Member States on Oct. 2, 1924 (see League of Nations: *Official Journal, Records of the Fifth Assembly, Plenary Meetings*, Special Supplement No. 23, p. 225). The British Government's rejection of the Protocol was announced by Sir Austen Chamberlain in a speech to the League Council on Mar. 12, 1925 (see *ibid.*, April 1925, pp. 444-450).

No. 314

2980/580599-600

Memorandum by the Foreign Minister

BERLIN, September 30, 1935.

RM 733.

I met Gömbös, the Hungarian Minister President, yesterday afternoon after his visit to the Führer.¹ On this occasion he came to speak of the minorities question.² He told me that he had unfortunately not succeeded in discussing the question with the Führer. He was therefore anxious to inform me of the Hungarian Government's views on the subject:

He and his Government could not tolerate the appearance among the Germans living in Hungarian territory, as had recently been the case, of wild agitators who tried to stir up the peaceful peasants. They would proceed against these agitators with all means at their disposal. He asked us to ensure that these people, under whatever flag they might appear, should be restrained from carrying on their activities in Hungary. Furthermore, he was quite prepared for there to be negotiations about a settlement of the minorities question, and he was now awaiting the visit of the German representative as announced.³ He himself, he said, was descended on his mother's side from German immigrants, and his wife, too, was German. For these reasons alone he not only appreciated the desires of the German minorities but also sympathized with them. I told M. Gömbös in reply that we ourselves categorically condemned all political agitation among the German minorities in Hungary. On the other hand, however, chauvinistic elements in Hungary were constantly trying to force the German immigrants (who, to my knowledge, had always been good

¹ For the only record of the conversation between Gömbös and Hitler which has been found see document No. 337, enclosure.

² For Neurath's previous conversation with Gömbös see document No. 311.

³ See document No. 274, footnote 3.

Hungarian citizens and had provided the Hungarian State with many high-ranking officials and Ministers) to abandon their mother tongue and their ancient customs. It was these attempts which had aroused indignation in Germany and which were having a consistently adverse effect upon the goodwill which we otherwise bore towards Hungary and the Magyars. It would lead to a considerable clearing of the air if it were possible to meet the wishes of the German minority in the cultural sphere in a manner entirely acceptable to the Hungarian State too. In his reply, M. Gömbös referred to the introduction, as proposed by him, of the so-called B-schools.⁴

I advised M. Gömbös, who is seeing Herr Hess, the Führer's Deputy, and Herr Goebbels today, to mention his views on the minorities question to them.

V. N[EURATH]

⁴ For details of Gömbös' proposals see vol. II of this Series, document No. 129 and footnote 8 thereto.

No. 315

8780/E611903-04

Memorandum by an Official of Department II

BERLIN, September 30, 1935.

Received October 1.

e.o. II M 2215.

In accordance with an oral communication from the Foreign Department of the Reich War Ministry, the camouflage of our armaments which has obtained so far will cease on October 15, that is to say that from then on the troops will wear their army number and will no longer be called after the place where they are stationed.

The Attaché Group of the Reich War Ministry have informed the foreign Military Attachés of the reorganization of the army in the enclosed communication.

The press will also be informed of the reorganization, but will be instructed not to make very much of it.

V. SCHM[IEDEN]

[Enclosure]¹

BERLIN, September 24, 1935.

The Reich War Minister and Commander in Chief of the Wehrmacht
Ob.d.H.Att.Gr. No. 1768/35.

To the Military Attaché of.....

¹ A French translation of this document was published in *Les Evénements survenus en France de 1933 à 1945, Rapport de M. Charles Serre, Député, au nom de la Commission d'Enquête parlementaire*, vol. I, pp. 158-59.

The Reich War Ministry encloses a statement on the organization of the German Army as of November 1, 1935.²

It should be noted that:

1) An infantry division consists of three infantry regiments, one artillery regiment, generally with three light and two heavy battalions, one battalion of engineers, one signals battalion, one anti-tank battalion,³ one medical unit. Some divisions are not yet complete.

2) Independently of the divisions, nine motorized machine-gun battalions, several battalions of engineers and several signals battalions will be formed in the near future.

3) The formation of tank divisions is still in the experimental stage. Their final composition can, therefore, not yet be stated.

4) A cavalry division consists of: two cavalry brigades, one mounted artillery battalion, one motorized company of engineers, one signals battalion, one motorized reconnaissance battalion.

Changes are still to take place in the organization of the cavalry.⁴

5) The Reich War Ministry will give notice in good time of any further changes.

By order:
VON PAPPENHEIM

² Not printed (8780/E611905-10). It was stated therein that on Nov. 1, 1935, the German Army would consist of 3 Army Groups, 10 Army Corps, 24 Infantry Divisions, 3 Tank Divisions, 2 Cavalry Divisions, 1 Cavalry Brigade and 1 Mountain Brigade, and details were given of the location and composition of these formations.

³ The words "one anti-tank battalion" do not appear in the French translation cited in footnote 1 above.

⁴ Another copy of the document here printed as enclosure and of the statement cited in footnote 2 above was circulated by Secretary of Legation von Bülow of Department II on Nov. 8 (M100/M003287-94), and bears a note in his handwriting at this point: "It is intended to set up 9 regiments which, strengthened by fast formations with heavy fire power, such as bicycle companies, mine throwers, anti-tank guns and motorcycle riflemen, will form the core of the self-contained reconnaissance units."

No. 316

9565/E673643

*Minute by the Acting Reich and Prussian Minister of Economics*¹

BERLIN, September 30, 1935.

II Ung. 805.

During the visit of the Hungarian Minister President, Gömbös, today, agreement was reached with regard to the carrying out of the proposed military industrial contracts.² M. Gömbös agreed that the cost of the raw materials used by us should be met in cash in foreign exchange, and I in turn declared that it was acceptable that the remainder should be offset in goods. However, I raised the question

¹ Copies of the document here printed were sent for their information to Minister President Göring, Senior Counsellor Renthe-Fink and State Secretary Posse.

² See documents Nos. 307 and 310.

of whether [Germany's] participation in Hungarian enterprises instead of [her] being supplied with goods could not perhaps be considered. I mentioned the Danubian shipping trade. Gömbös observed that Hungary's shipping trade on the Danube was in a very bad economic position but he was not in principle opposed to the idea of German-Hungarian cooperation in this field, and promised to examine the question. He further drew attention to the fact that there was in Hungary a valuable manganese ore supply, in which the Deutsche Bank had a financial interest. It appeared to be important to him to include this matter among the subjects discussed. I promised him that I would speak to the Deutsche Bank about it.

SCHACHT

No. 317

8017/E576915-16

The Foreign Minister to the Embassies in Italy and Great Britain

Telegram

TOP SECRET

BERLIN, October 1, 1935—6:15 p.m.

To Rome No. 191

e.o. III O 4398.

To London No. 173

There has been received here reliable secret information¹ which throws a very significant light on the way the Abyssinian problem is being handled internationally. According to this information, the oft-mentioned personal message which the British Foreign Secretary caused to be conveyed to Mussolini on September 26 [*sic*]² was not confined, as stated in the press, to an assurance that Britain's attitude to the Abyssinian question was not occasioned by self-interest or by hostility towards Italy but solely by Britain's obligations as a member of the League of Nations. On the contrary, it is alleged that Hoare's message contained a concrete assurance that Britain would not consider either applying military sanctions or closing the Suez Canal³ but, should occasion arise, would resolve on applying merely economic sanctions. If this is correct, then it would in fact be the case that

¹ No certain indication of the nature of this secret information has been found in the files, but see also document No. 326.

² See document No. 304 and footnote 4 thereto. In telegram No. 181 of Oct. 3 (8015/E576188) Hassell reported: "According to the records here, Hoare's personal message to Mussolini through Drummond was communicated, not on Sept. 26, but on Sept. 23, whilst the Italian communiqué about it was issued on Sept. 25."

³ Marginal note: "I have also been told this by Marchese Antinori. L[orenz]." A minute (8017/E576917-18) attached to the document here printed reads: "In the course of a conversation on Britain's attitude, the Press Attaché at the Italian Embassy here, Marchese Antinori, told me spontaneously that Hoare's message contained the assurance that the Suez Canal would not be closed. In general he expressed himself very pessimistically about Britain's intentions, to the same effect as Mussolini in his statements to Ambassador v. Hassell on the day of the General Rally [see document No. 322]. Lorenz, Oct. 10, 1935."

Britain was only outwardly assuming the rôle of the determined champion of the observance of all obligations under the Covenant of the League of Nations, whilst simultaneously providing that country against which the League machinery was being set in motion with a secret assurance beforehand that Britain had not the slightest intention of employing this machinery for really effective (that is to say, military) measures. It is highly significant for British policy that the British Government are extricating themselves thus from the dilemma in which they are placed in consequence of their desire, on the one hand, to avoid a warlike conflict with Italy on account of Abyssinia, and, on the other, to preserve intact the system of the League of Nations for their other political purposes in Europe. These manœuvres suffice to account for Italy's determined attitude, for she has accordingly no need to fear any really effective British opposition. It equally becomes possible to see through the whole of France's recent behaviour.

You should bear this point in mind in observing and assessing further political developments at your post, but should, in any conversations which you may have, in no way allow it to appear that you are aware of the foregoing information.

NEURATH

No. 318

9565/E673640-41

*Circular of the Acting State Secretary*¹

Cipher Letter²

BERLIN, October 1, 1935.

e.o. [*sic*: zu] II Ung. 802³ Ang. IV.

For guidance on language to be held.

The visit of Gömbös, who is leaving Berlin at noon today, had no special political object but was in response to Minister President Göring's visits to Hungary.⁴ Naturally it provided an opportunity for an exchange of views on the general political situation. All the political speculation in the foreign press about this visit and State Secretary Milch's visit to Budapest, with which it happened to coincide, is entirely without foundation,⁵ and should be regarded partly as diversionary manœuvres connected with the Italo-Abyssinian conflict, and partly as an effort to poison our relations with Yugoslavia and to make propaganda for the conclusion of a Rumanian-

¹ Addressees were the Missions in Moscow, Ankara, Sofia and Brussels.

² The copies for Brussels and Moscow, which were sent by courier on Oct. 1 and 2 respectively, were *en clair*.

³ See document No. 311 and footnote 1 thereto.

⁴ In May and June; see document No. 91.

⁵ See document No. 309.

Russian pact. In the circumstances we did not consider it advisable to issue an express *démenti* of these obviously tendentious reports as Hungary and Poland have done. The peaceful line of German policy has been clearly laid down in the Führer and Chancellor's speech of May 21.⁶

KÖPKE

⁶ See Editors' Note, p. 171.

No. 319

8678/E607209

*The Austrian Federal Minister for Foreign Affairs to the
German Minister in Austria*

VIENNA, October 1, 1935.

Your Excellency handed me on July 11 of last year [*sic*]¹ a personal memorandum containing the draft of an agreement to be concluded between our two Governments.

I now have the honour to send your Excellency the enclosed draft counter proposals, compiled by the competent official in my office, and to add that the Federal Government have not yet defined their position on it. Should Your Excellency wish to begin negotiations with me in the name of the German Government on the basis of the two drafts which now lie before us, I shall be pleased to give Your Excellency the opportunity of doing so in the course of the next few days.

With the assurance of my highest regard,

I am, yours, etc.,

BERGER

8678/E607210-13

[Enclosure 1]

DEPARTMENTAL DRAFT

With a view to restoring relations between the Federal State of Austria and the German Reich to a normal footing, progressively and as soon as possible,

In the conviction that the general progress in Europe towards the maintenance of peace will thus be considerably furthered,

And considering that the *détente* desired by both sides can only be realized once certain stipulations have been fulfilled by the Governments of the two countries concerned,

The Austrian Federal Government and the Government of the German Reich have agreed on the following:

I. The Government of the German Reich recognize the régime existing in Austria.

¹ See document No. 208.

In accordance with the Führer and Chancellor's statement of May 21, 1935, that "Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria or to conclude an *Anschluss*", the Reich Government will exert no kind of influence whether direct or indirect on political events within Austria.

(a) They recognize that the National Socialist movement in Austria, which is at present forbidden to engage in any activity, is a purely internal Austrian matter.

(b) They will take care to ensure that the associations of citizens of the Austrian Federal State existing in the Reich and all associations, societies and federations which, within the Reich, concern themselves with safeguarding the interests of citizens of the Austrian Federal State, will only engage in activities of a purely charitable nature and shall not be obstructed in these activities as long as they are not contrary to the Reich laws at present obtaining.

(c) They will take care to ensure that the provisions contained in Article I are observed by the NSDAP, on which the State is based, and by all its Party organizations.

II. The Austrian Federal Government recognize that National Socialism is the State doctrine of the German Reich.

The Austrian Government will adapt their policy in general, and in particular their policy *vis-à-vis* the German Reich, to the statement made by the Federal Chancellor on May 29, 1935,² that "Austria regards herself as a German State".

They will take care to ensure that associations of Reich German Nationals existing in Austria are not obstructed in their activities as long as they adhere to the principles laid down in their statutes which have been approved by the Austrian authorities and do not try to exert any influence either on internal Austrian affairs or on citizens of the Austrian Federal State by means of propaganda.

III. Agreement has furthermore been reached on the following details:

(a) *Press.* Both parties shall influence their respective press to the end that it refrain from exerting any political influence on conditions in the other country and limit its objective criticism of conditions in the other country to an extent not offensive to public opinion in the other country. This obligation also applies to the *émigré* press in both countries.

The gradual elimination of prohibitions on the importation of newspapers and printed matter of the other party is envisaged by both parties, in relation to the gradual *détente* in mutual relations aimed at in this Agreement.

(b) *Broadcast and Film News-Reports and the Theatre.* As regards such concerns, both parties undertake immediately to cease making

² See also document No. 111, footnote 9.

any offensive use of them against the other party, in the sense of the present Agreement (Articles I and II). Furthermore, a gradual abolition of the obstacles to traffic between the two countries at present existing will be undertaken on a basis of complete reciprocity.

(c) *Emigré Question.* Both parties agree in their desire to contribute by reciprocal concessions to the speediest possible satisfactory solution of the problem of the Austrian National Socialist *émigrés* in the Reich.

The Austrian Government will, as soon as circumstances allow, proceed to examine this question and will inform the German Government of the results of their investigation.

(d) *National Symbols and Anthems.* Each of the two Governments shall permit the nationals of the other party to display their national symbols and to sing their national anthems in closed meetings attended only by such nationals.

(e) *Restrictions on Tourist Traffic.* Both parties share the desire progressively and as soon as possible to decrease the restrictions imposed on travel between the two countries, as the hoped-for beneficial effects of the present Agreement make themselves felt in relations between the two countries, and where possible to do away with such restrictions altogether.

(f) *Treatment of Objections and Complaints.* For the handling of objections and complaints which may arise in connection with the present Agreement there shall be set up a committee consisting of three officials of the competent departments of both countries.

Its task shall be to discuss at regular meetings the operation of the Agreement and any supplements thereto which may be required.

8678/E607214

[Enclosure 2]

COMMENTS BY THE DRAFTING OFFICIAL

A. The drafting official has in general preserved the basic concepts and frequently also the phraseology of the German Minister's draft.

B. In drawing up the present draft, the drafting official has been guided by the idea, first, that to include numerous detailed provisions in the proposed agreement would weigh it down unnecessarily and put its practical and successful application in doubt, and secondly, that a number of detailed provisions would require exhaustive consultation with other departments which would considerably delay the realization of this instrument, which is clearly meant to be a basic agreement.

C. In the drafting official's view the present agreement now under negotiation should, as soon as it has been signed, be published in full and simultaneously by both Governments, in order thus to prevent any misinterpretation by the public.

No. 320

6144/E459673-75

Memorandum by an Official of Department II

SECRET

BERLIN, October 2, 1935.

II Ts. 1975.

On September 26 a discussion took place at the Foreign Ministry with representatives of the Sudeten German Party, namely Herren Frank, Schickedanz and Hollmann, with a view to dealing with the financial questions at issue with the Party. The Foreign Ministry was represented by Senior Counsellor von Renthe-Fink, Senior Counsellor Heinburg, Senior Counsellor Rödiger and Counsellor Altenburg.

These gentlemen explained that, as a result of verbal assurances given to Konrad Henlein by Herr Schacht, the President of the Reichsbank, the Sudeten German Party had already incurred substantial liabilities, which would require the transfer of a lump sum instead of the instalments previously envisaged—the total involved, however, remaining the same. The discussion resulted in its being established that the Sudeten German Party's minimum requirements were as follows:

(1) In repayment of the election funds spent by Konrad Henlein, the VDA are to be paid 330,000 RM of which 145,000 RM [*sic*]¹ will have to be transferred.

(2) For the political work of the Sudeten German Party a lump sum amounting to 400,000 RM is required, which will also have to be transferred. This total amount corresponds approximately to the sum which it was agreed, *vide* the memorandum of September 4,² should be paid to the Sudeten German Party in monthly instalments of 30,000 RM over a period of one year. The liabilities incurred by the Party as a result of the assurances mentioned above now render necessary one single and final transfer of the total amount.

According to the calculations of the Sudeten German representatives, of the whole sum to be transferred—185,000 + 400,000 RM = 585,000 RM—the sum of 50,000 RM should be transferred at once, a further 50,000 should be transferred within ten days and the remainder, 485,000 RM, should be paid in instalments, payment to be completed by November 10 at the latest.

In view of the urgency of the matter, the President of the Reichsbank has already sanctioned the transfer of 250,000 RM, of which the first instalment of 50,000 RM has already been paid as required. The money, mostly in the form of cheques, was sent by special courier to the Legation in Prague to be paid out to the Party, because the

¹ It is clear from this document as a whole that this should read 185,000 RM.

² Document No. 285.

shortness of the time available (24 hours) made it impossible to procure sufficient foreign exchange to cover the total amount. It is proposed to effect future transfers wholly in foreign exchange. The Legation in Prague have been asked to suggest how payment can be made to the Party with the least possible involvement of the Legation.³

A[LTENBURG]

³ Documents on the problem of ways and means of transferring the sums involved have been filmed as 6144/E459682-89, 691-97, 704-05. In a minute of Oct. 4 (6144/459690) Renthe-Fink noted that ways and means had been approved; see also document No. 357.

No. 321

8017/E576931-38

The Chargé d'Affaires in Great Britain to the Foreign Ministry

SECRET

A 3421

LONDON, October 2, 1935.

Received October 4.

III O 4487.

Subject: British message to Mussolini; Britain's attitude to the sanctions problem.

With reference to your telegram No. 173 of October 1, 1935.¹

I hasten, for my part, to give my views on the information contained in your telegram under reference, basing myself on the impressions gained during the last few weeks; and I shall furthermore, in the next few days, make cautious efforts to procure more information.

In order to be able to judge the message from the British Foreign Secretary to Mussolini and its contents, as contained in your telegram under reference, it is necessary briefly to recall the development of the Italo-Abyssinian conflict. Today it is no longer possible to doubt that here in England, despite serious warnings addressed on occasion to Italy, the full extent of the Duce's far-reaching aims, and their serious repercussions upon a whole series of questions affecting the British Empire, was recognized only at so late a stage that, for practical reasons and on grounds of prestige, it was no longer possible for Mussolini to retreat.

On the other hand, it is apparent that the British attitude to the Italian action, an attitude confined until the end of August to advice and warnings, gave Mussolini the impression that he need fear no serious opposition from Britain to his plans in East Africa. In this connection, I would merely recall Eden's proposal in Rome to cede a British port in Abyssinia [*sic*] in return for certain territorial con-

¹ Document No. 317.

cessions to Italy;² a proposal which, in view of the turn that events have taken, can only make one wonder how the British could seriously believe that Italian aspirations could be satisfied in such a manner.

About the middle of August, in view of Italy's steadily increasing despatch of troops and her military preparations, it began to be realized in Britain that Mussolini intended no less than the complete military subjugation of Abyssinia. In my report A 2926 of August 29³ last, I pointed out that Britain would do all she could to prevent such a development and that the proposals made to Mussolini in the Paris Three-Power conversations represented the maximum of British concessions. These considerations were reinforced by the decisive argument that British policy, with the virtually unanimous support of the British public, had in recent years been increasingly based on the League of Nations, and consequently Britain decided to set in motion against Italy the machinery of the League of Nations, as prescribed in the Covenant, to its full extent. Thus the British attitude was finally made fully apparent to Italy, and there began in the Italian press that well-known anti-British campaign which, accompanied by certain of Mussolini's military measures which could only be regarded as directed against Britain, very rapidly caused a veritable atmosphere of crisis here. The British Government thus felt themselves compelled, in order to provide for all eventualities, to despatch a large part of the British fleet to the Mediterranean and to effect a strategical disposition of forces which would make it impossible for Italy to spring any surprises on them. At the same time—and, so to speak, independently of these moves—Britain continued her exertions in the League of Nations in order, on the one hand, to bring about a peaceful solution of the Italo-Abyssinian conflict by means of the proposals of the Committee of Five⁴ and, on the other hand, to build up in Geneva as united as possible a front of League of Nations Powers against Italy. Nothing could be less welcome to Britain than the impression, inevitably made on world opinion by the despatch of the British fleet to the Mediterranean (a measure dictated by prudence), that this was in no sense a conflict between Italy and the League of Nations, but an exclusively Anglo-Italian dispute. Mussolini, by means of his propaganda apparatus, cleverly made it appear to the world as if the aggravation of the conflict, with all the grave dangers inherent in it, must be exclusively attributed to British policy. I am convinced that, at this stage of extreme tension about the middle of September, the British were considering the question

² See also document No. 188.

³ Document No. 278.

⁴ The proposals for a compromise solution put forward by the League Council's Committee of Five had been rejected in an official Italian communiqué on Sept. 21. For the Committee's report see League of Nations: *Official Journal*, November 1935, pp. 1620-1627.

of military sanctions and also, if need be, the closing of the Suez Canal. In Annex 1 of his report No. 35 of September 16, 1935,⁵ on this subject, the German Military Attaché reported that the question of whether to adopt "major" or "minor" sanctions had at that time been decided in favour of the application of "minor" sanctions. It was naturally not possible to confirm this report, but the developments of the last fortnight have provided confirmation inasmuch as (which I too now believe to be the case) Britain has set aside the idea of military sanctions (among which I also include the closing of the Suez Canal) because it is not feasible to achieve them collectively—irrespective of whether she ever did in fact consider applying them, or whether (as stated in the above telegram¹) she did not. I do not think that the despatch of the British fleet to the Mediterranean should be taken to imply a desire to adopt military sanctions against Italy, but rather I take the view (and this has been confirmed to me by various sources, some of them official) that the reinforcement of the Mediterranean fleet is to be attributed to a genuine British fear—whether justified or not is immaterial—of a sudden Italian attack. Even now the British still do not regard the danger as over, as indeed is made clear from the enquiry addressed to France.⁶

In order to ensure, as it was essential to do, the support of public opinion for Government policies, it was necessary for the British Government to remove, at all events, the impression that it was a matter of a specifically Anglo-Italian conflict. With this object in view, not only was the familiar joint press communiqué⁷ issued but in addition Sir Samuel Hoare sent a personal message to the Duce. If Hoare's communication to Mussolini did contain an assurance that Britain had never considered applying military sanctions or closing the Suez Canal (which, in the light of your telegram under reference,¹ can scarcely be doubted), I would explain this as follows: In the course of the negotiations at Geneva it has become clear to the British that no other major League Power will collaborate in military sanctions and that therefore the imposition of such penalty, which Britain would probably find herself having to enforce alone, would abundantly confirm precisely this reproach of the dispute being purely Anglo-Italian. On the other hand, however, there unquestionably exist here in Britain very strong currents of opinion opposed in all

⁵ Document No. 299.

⁶ On Sept. 24 the British Foreign Secretary had addressed an oral enquiry to the French Ambassador regarding the French attitude "in case a member of the League of Nations, who declares himself ready to fulfil his obligations in accordance with the terms of Article 16 of the Covenant, and who is making the necessary preparations to that end, should be attacked before the Article in question became applicable, that is to say, before the other members of the League of Nations are expressly bound to lend this member the mutual support provided for against a Covenant-breaking State. . . ." (Terms of the British enquiry as formulated in the French written reply of Oct. 5, published in the press on Oct. 8, 1935.)

⁷ See document No. 304, footnote 3.

circumstances to a war with Italy, which must inevitably result from either military sanctions or closing the Suez Canal. Indeed, the possibility of imposing military sanctions has scarcely been mentioned in the press here either, whilst the possibility of closing the Suez Canal, which was being discussed in theory a few weeks ago, has receded completely into the background. Nowadays only economic sanctions are spoken of. In addition there is the most recent news from Geneva of the increasing difficulties in getting the concept of "sanctions" established at all and in obtaining unanimity over applying them; only today a member of the Foreign Office confirmed to me that the "City" here is coming out very strongly against the application of sanctions. There are also the remarks made by Sir Samuel Hoare yesterday to representatives of the press (see my telegram No. 198 of October 2),⁸ when, as I was told by someone who was present, he appears to have spoken without much conviction of the possibility of unanimous League of Nations action against Italy. He stated it to be inevitable that Italy would attack Abyssinia and uttered a warning against the belief that the League of Nations, by some dramatic success, could prevent her doing so.

In conclusion, I may sum up my views on your telegram under reference by saying that, as seen from this post, it does not in point of fact appear impossible for Britain to have given Mussolini the assurance you mention. Once it had been realized here that military sanctions would have to be applied by Britain alone, and world opinion had been prepared, by constant reminders of the need for all League Powers—indeed also non-League Powers—to play an equal part in collective measures, for the idea of there being no question of Britain taking isolated military action on the basis of a League of Nations resolution, Sir Samuel Hoare may well have felt able to give Italy such a declaration, in the interests of that pacification of direct Anglo-Italian relations which was being sought for so earnestly.

Nevertheless, the impression prevailing here today is that the *détente* in Anglo-Italian relations produced by Hoare's message has only been of short duration and that Italy has again embarked on severe attacks on British policy. Alongside the British Government's dilemma, described in your telegram under reference,¹ of wishing on the one hand to avoid armed conflict with Italy over Abyssinia and on the other to maintain the League system intact, there is a second dilemma in that Britain, even should the conflict be possibly peacefully resolved, is not willing to tolerate an Italian conquest of Abyssinia. Only today one of the best-informed Heads of Missions here expressed the view to me that in the long run a direct conflict between Britain and Italy is inevitable. He held this view regardless

⁸ Not printed (8017/E576923-25); this telegram reported verbatim extracts from an article by the parliamentary correspondent of *The Times* published that day.

of the fact that official circles constantly repeat their assurances that British policy is pursuing the sole aim of maintaining the ideals of the League of Nations intact. Such, he said, is the peculiar mentality of the British that they really are convinced that British policy does not derive from selfish motives. I can only fully confirm this view from the many conversations I have had in the last few days with all sorts and conditions of Englishmen. The Foreign Office, too, contradict any suggestion of Britain's having an interest in preventing Italy from establishing herself in a position of power in East Africa. That British interest does nevertheless play a decisive rôle here—even if it is partly only in the subconscious minds of those in authority—I have no doubt. Nor have I any doubt that Britain, within the limits imposed upon her by domestic and foreign affairs, will leave nothing undone to prevent such an Italian success.

BISMARCK

No. 322

8020/E577220-22

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 180 of October 2

ROME, October 3, 1935—12:10 a.m.

Received October 3—2:50 a.m.

III O 4453.

Mussolini received me today at 5 o'clock, after the Fascist General Rally¹ had been heralded at half-past three by church bells and sirens. While thousands gathered in front of the Palazzo Venezia, all vehicular traffic having been banned, Mussolini's antechambers were filled with Ministers, State Secretaries, including Suvich, Lessona² and Alfiech [*sic*],³ officers and other Fascist dignitaries. Mussolini was in uniform like the rest and was in an extremely serious and almost embittered mood. He replied to a remark I made about the historic significance of this day by observing that the next few days would be even more interesting. The hour, he said, was exceedingly grave and he no longer saw any possibility of compromise; the machine had been set in motion. Asked whether he had ordered an advance in Africa, he replied evasively that movements forward were already in progress and that the Negus had reported to Geneva that the Italians had crossed the frontier,⁴ a contention which could not be verified since

¹ Oct. 2 had been proclaimed the "day of national mobilization" in Rome.

² Alessandro Lessona, Under Secretary of State for Colonies.

³ Dino Alfieri, Under Secretary of State for Press and Propaganda.

⁴ Emperor Haile Selassie informed the League of Nations on Oct. 2 of Italian violation of Abyssinian territory in the Aussa province; see League of Nations: *Official Journal*, November 1935, p. 1603.

in most places the frontier was not defined. If Britain had thought she could restrain him, she had been mistaken. On the other hand, he was growing more and more convinced that Britain wanted to deal Italy a heavy blow, like those once dealt to Spain, France, Holland and Germany.

I expressed doubts as to whether Britain was really planning military sanctions, to which he replied that he was in fact expecting them; this afternoon a British Cabinet meeting had been summoned, including high-ranking military leaders. There had repeatedly been possibilities of an understanding but they had been let slip. The only sensible solution would have been to place the central provinces of Abyssinia proper under League of Nations control, and to give all the surrounding areas, which were Abyssinian by conquest, to Italy. But it had not been desired to do this. I asked whether, as was widely maintained, military action with a restricted aim was envisaged; this he denied on the grounds that a steamroller like this, once set in motion, could not be stopped at will. When I asked whether fresh negotiations were conceivable after military action, he replied that these were naturally not out of the question but that nothing could be said about it today. Now, at any rate, the time for attempts at reconciliation was past; he was afraid that a European war was approaching and that the near future would perhaps see mobilization in all large countries. Mussolini then examined his military prospects at sea, asked about the ratio of our strength to that of Britain in 1914, and observed that in many respects Italy was not badly placed. Reverting to politics, he expatiated on the insanity of those forces which, themselves weak from old age, opposed a rising nation, and who were playing into the hands of Bolshevism and would bring about the downfall of the West. The struggle against Fascism was an essential aspect of the present conflict and, to this extent, Germany too was concerned. I replied that we ardently desired the continued existence of Fascism, a view also shared by the Führer himself, but that for us it was much too soon for a struggle between the static and the dynamic nations. Mussolini replied that that was not his fault; he had sought no conflict with Britain and had not threatened the British Empire. When I again expressed scepticism as to Britain's seriously intending to take military action, he again emphasized that it was very probable she would. I pointed out the improbability of Britain's being able to pull France along with her, thus leaving Britain to act alone, which she had hitherto always refused to do. Mussolini replied that France had done all in her power, but that Laval's political authority was extremely weak and the influence of the anti-Fascist circles round Herriot was growing.

On the basis of this conversation, and of Mussolini's speech from the

Palazzo Venezia⁵ which has just finished, and finally of conversations with Drummond, Chambrun, Sugimura⁶ and Italian politicians, I would express the following view of the situation:

Mussolini and all thinking Italians have, for weeks, judged their position to be very serious. Readiness for an understanding was there, but apparently it came too late. The French constantly directed their efforts towards seeking, as Chambrun put it, not "*la paix après la victoire* [peace after victory]" but for once "*la victoire après la paix* [victory after peace]", i.e., a private understanding followed by limited and tacitly permitted military action. An understanding was obviously nearest after the pressure of the British naval demonstration had become effective. If Hoare's message to Mussolini⁷ really stated that military sanctions would not be applied, the question of what conditions Italy would consequently have to observe remains open, and furthermore, whether at bottom there was not the conviction that economic sanctions alone would suffice. It is also very possible that the situation has again substantially altered since then; this would appear to be indicated by the British enquiry to France about the use of a French naval base.⁸ Finally, it remains an open question whether Italy would be willing or able to abide by the conditions imposed and also whether other conflicts might not develop automatically from economic sanctions. By and large, I must conclude from all my impressions, and particularly from today's conversation, that Mussolini is, on the one hand, determined to launch an attack in Africa, but is, on the other hand, reckoning with the most serious consequences and, where the latter are concerned, has today once again tried to intimidate by demonstrating . . . (group mutilated)⁹ determination.

As regards the League of Nations, in whose activity there is little interest here, efforts seem to be concentrated on an attempt to prevent unanimity for the recommendations of the Council under the provisions of Article 15, paragraph 7 [*sic*],¹⁰ by trying to influence Poland in particular.

VON HASSELL

⁵ For an English translation of the published text of Mussolini's speech see *Documents on International Affairs, 1935* (London, 1937), vol. II, pp. 169-171. See also document No. 324.

⁶ Yotaro Sugimura, Japanese Ambassador in Italy.

⁷ See document No. 304, footnote 4; see also document No. 317.

⁸ Evidently a reference to the British enquiry of Sept. 24; see document No. 321, footnote 6.

⁹ The draft in the files of the Rome Embassy (M254/M010946-51) reads: ". . . by demonstrating iron determination".

¹⁰ At its meeting on Sept. 26 the Council of the League of Nations had set up a committee (the Committee of Thirteen), consisting of all States represented on the Council except the parties to the dispute, to draft a report under Article 15, paragraph 4 of the Covenant, which reads: "If the dispute is not thus settled, the Council either unanimously, or by a majority vote, shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper thereto."

No. 323

8015/E576190-95

The Ambassador in Italy to the Foreign Ministry

I 708

ROME, October 3, 1935.

Received October 5.

III O 4534.

POLITICAL REPORT

Subject: The Italian deployment against Abyssinia and its political consequences.

With reference to my telegraphic report No. 180.¹

On my return from Germany² I found that the atmosphere in political circles here had changed completely. Whereas before there was great confidence that Italy would accomplish her African plans and thus, despite all resistance, set up an Italian colonial empire promising well for the future, a fundamentally pessimistic mood has now set in. Even the Fascist general rally which passed off according to plan and magnificently (see report I 710 of today's date)³ cannot disguise this. The gravest doubts are entertained as to whether Italy can still succeed in achieving a really genuine success; rather it is thought that she will finally be compelled by British pressure to be content with a compromise which will, at best, afford a meagre saving of face. Moreover, it is even thought possible that the end of the story might not be such a compromise, but a serious political and perhaps even military defeat with the most serious consequences for domestic and foreign policy. There is no special need to emphasize that at such a time of crisis the situation during the last few weeks has often changed from one day to another. Possibilities of an understanding have arisen and disappeared again. The attitude of the parties concerned has appeared one day in one light and the next day in another, and as for Britain, she has brandished the gingerbread and the whip alternately. Motives which might induce Britain to refrain from military sanctions are plentiful enough, all the more so because economic means of pressure might also be applied in a way disastrous enough for Italy. It is also possible, therefore, that at a certain point Britain intimated to Italy that she would renounce military sanctions; if so, it is entirely probable that this was done in Hoare's message to Mussolini,⁴ which stated, in any case, that Britain in no way desired the destruction of Italian prosperity, or of Fascism, or of Mussolini's personal position. In this connection, as I have

¹ Document No. 322.

² See documents No. 308 and footnote 1 thereto, and No. 325, footnote 2.

³ Document No. 324.

⁴ See document No. 317.

reported by telegram,⁵ it is important, in view of the sequence of events, to bear in mind that this communication was made not on September 26, but 23, i.e., a few days before the British enquiry to France about the fleet.⁶ This is more significant in that Mussolini's reaction to Hoare's communication, which was worded in a friendly fashion and conveyed by Drummond, has been regarded by the British as thoroughly unsatisfactory. The renunciation of military sanctions will, moreover, hardly have been offered to Italy in all circumstances, but only in the event of Italy's accepting certain obligations in regard to the extent of her action and its results.

Many people here are still clinging to the hope that Britain will permit a short military action, thus affording the necessary prestige success, or else will oppose it only "for show",⁷ when the compromise already intimated, and presumably meagre enough for Italy, could be reached in fresh negotiations. The only question is whether the parties caught up in the swift-flowing current of events may still be able to save themselves on this raft.

The hope that Britain might yet enter into direct separate negotiations on the basis of the latest communiqué of the Italian Council of Ministers⁸ has meanwhile been completely, or almost completely, abandoned. Britain has countered the Italian contention, that Britain was kept currently informed from the start and raised no objections, by enumerating the British warnings to Italy. As early as February 27 last, at a dinner, Sir Eric Drummond expressed to my wife his lively concern about Italian policy towards Abyssinia, obviously on the day on which he had received the corresponding instructions that were carried out on the 28th.⁹ When I myself asked him a few days ago whether he still saw a way out, he replied that he did not and added that, fundamentally, he had ceased to be able to see one since as long ago as last April. As regards Laval, Sir Eric assured me that Laval had assured him personally and in the most definite terms at the beginning of January, during his famous visit to Rome,¹⁰ that he had only spoken to the Italians about economic expansion in Abyssinia, whereas Mussolini asserts that he is just as firmly convinced that Laval gave him a free hand politically too. Meanwhile people here are watching with increasing concern the

⁵ i.e., in telegram No. 181 of Oct. 3; see document No. 317, footnote 2.

⁶ Marginal note against this sentence: "Attolico represents this differently (see my memorandum of Oct. 4 [document No. 326]). K[öppe]."

⁷ In English in the original.

⁸ Presumably a reference to the communiqué issued after the meeting of the Italian Council of Ministers in Rome on Sept. 28, which repeated the Italian contention as to the inadequacy of the proposals of the League Committee of Five, stated that Italy would not abandon the League until the League itself assumed full responsibility for the "measures" that might hurt Italy, renewed assurances that Italian policy was in no way directed against British interests, and added that from Jan. 29 onwards Britain had been kept informed in the most loyal manner of the colonial objectives of Italian policy.

⁹ No previous report by Hassell on this subject has been found.

¹⁰ On Jan. 4-7, 1935; see vol. III of this Series, *passim*.

systematic way in which Britain is working on all members of the League of Nations to ensure their approval for sanctions, and, most particularly, British political activity in Greece, Turkey and the Arab States, not to mention France, of course. It is maintained that Britain has more or less "bought" Wladimir d'Ormesson¹¹ and also the *Journal de Genève*, which was permanently banned in Italy a few days ago.

In mentioning France yesterday, Mussolini made a resigned and almost pitying gesture and described Laval as a man of tottering authority who was only allowed to go to Geneva with two guardian angels, namely, Paul-Boncour¹² and the "Soviet Colonel" Herriot. He said he must admit that France had done all in her power and that "poor Chambrun" had striven valiantly. But it was now too late for Chambrun's idea, of which I spoke to him (*la paix avant la victoire* [peace before victory]). I have already pointed out that in reality the Italians have not yet abandoned the hope that, after an outwardly successful and relatively short military expedition, a compromise may be reached in fresh negotiations.

Today's order to advance in Abyssinia is obviously dictated politically not least by the desire to gain some kind of preliminary military result while Laval is still at the helm, since it is hoped that he will at least oppose France's active participation in British pressure on Italy. By and large, however, Government and people can no longer escape the impression that Italo-French friendship, which was introduced with so much pomp and such high hopes, has not "worked" at the decisive moment.

Italy must now acknowledge: "Foes surround us!"—Politics make strange bed-fellows!¹³ Litvinov and Rüstü Aras, who are Bolshevik and semi-Bolshevik Jews respectively, as well as the "Soviet Colonel" Herriot and his comrades in France, Britain or elsewhere, not forgetting Titulescu and Beneš, are holding out their hands to capitalist Old England. This still applies to Rüstü Aras even if Turkey, as both Mussolini and the Turkish Ambassador¹³ assured me, intends to adopt a neutral attitude; she will have difficulties in escaping her "duties" as a member of the League of Nations. On the other hand, public opinion, in looking round for friends, has, significantly, fallen back primarily on Germany, and one not infrequently hears expressed the naïve belief that ultimately the German Führer, as a *deus ex machina*, will put matters right for Italy. In my conversation with Mussolini I had, however, the impression that he entertains no illusions about this and he has indeed avoided everything that could be interpreted as a hint in this respect. But it seems to be true that

¹¹ French journalist and foreign policy commentator in *Le Figaro*.

¹² Jean Paul-Boncour, Permanent French Delegate to the League of Nations.

¹³ Huseyin Ragıp Baidur.

advances to Japan, as hostile to the League of Nations, have been tried, if only in order to obtain supplies from her should a League of Nations embargo be placed on raw materials. Whether the withdrawal of Italian airmen from China is connected with this political purpose, I cannot accurately judge from here. This step, at any rate, if it has really been taken, is significant enough. Mr. Sugimura¹⁴ disclaimed all knowledge of any approach by Italy to Japan; even though he expressed the opinion that Japan would certainly not participate in sanctions, he displayed scepticism about Japanese supplies to Italy because Japan was compelled to consider her political position in the world between Britain and America. Besides, Japan did not forget as easily as the Italians perhaps assumed.¹⁵

Recently the question has been repeatedly raised as to why Italy, in view of the situation in France above referred to and the almost non-existent prospects of an understanding, did not march into Abyssinia at least ten days ago. Various motives have presumably contributed towards the delay;¹⁶ first, as the British danger had suddenly become acute, the necessity of taking a few more military precautions for this eventuality and of getting a series of transports through safely beforehand; then, the natural endeavour to let Abyssinia appear as the aggressor; perhaps, now that the Italian advance has begun, we shall shortly be hearing of Abyssinia attacking the Italians.

As for the League of Nations, the idea [here], now at any rate abandoned, seems at first to have been not to advance until after the Council had announced its recommendations under Article 15, and to do so whether these [Council] recommendations were more or less identical with earlier proposals and could thus be termed quite unacceptable, or whether there failed to be unanimity [in the Council], thus affording freedom of action under Article 15, paragraph 7. As regards this latter possibility, hopes are placed on Poland and on Spain, hopes that would then also be extended to include the decision on the determination of the aggressor. To judge by the Polish Ambassador's¹⁷ remarks, however, I would regard these hopes as not being very well founded as far as Poland is concerned.

It may well be that today begins the greatest gamble that any statesman has ventured upon since the World War. It is well-nigh certain that Mussolini, who has never quite understood the Anglo-Saxons and has rarely handled them correctly, and who frequently over-estimates his own strength, at first misjudged how high was the stake and how grave the situation that was developing. But

¹⁴ Japanese Ambassador in Rome.

¹⁵ A campaign against alleged Japanese designs in Abyssinia had been conducted in the Italian press in March 1935 and again in July of that year.

¹⁶ Marginal note in Ministerialrat Thomsen's handwriting: "Rainy season!"

¹⁷ Alfred Wysocki.

now—this was my yesterday's impression—he has no more illusions. To what extent Britain, however, is seriously determined to act, I cannot fully judge from this post. The great question is whether, in the course of operations, there will once more arise, and that not too late, the possibility of calling a halt, by means of a compromise, to developments which might otherwise be fraught with unpredictable consequences for Mussolini and Fascism, for Italy and for Europe.¹⁸

HASELL

¹⁸ Marginal notes: (i) in Neurath's handwriting: "[For the] R[eich] C[hancellor]." (ii) "The Reich Chancellor is informed. L[ammers], Oct. 11."

No. 324

8053/E578924-26

The Ambassador in Italy to the Foreign Ministry

I 710

ROME, October 3, 1935.

Received October 5.

II It. 1492.

Subject: General Rally of the Fascist Party.

The mass demonstration by the Party and all affiliated organizations, announced by Mussolini in mid-September for a date which was then yet to be fixed, took place throughout Italy on Wednesday, October 2, in the afternoon. It went off entirely according to plan and provided a striking picture of the organized might of Fascism. Twenty million Italians, ranging from children to people of an advanced age, are said to have taken part. The climax and close of this "civilian mobilization" was the speech (which, being broadcast, was heard in even the smallest villages), addressed by Mussolini, speaking from the balcony of the Palazzo Venezia, to the whole Italian people.

In Rome the march in response to the mass summons was undoubtedly imposing. The atmosphere among the participants was, however, not convincing. Of enthusiasm there was hardly a trace. The so-called soul of the people, such as was very definitely observable, for instance, in the great demonstrations before Italy's entry into the World War, played no part. To the broad masses the colonial idea is still something strange or artificially bolstered up and it does not hold its own when, as today, the consciousness of the people is oppressed by anxiety about another world war, an anxiety for which even the anger against Britain, which does incontestably exist among the people, is no match.

The general Party Rally was intended to be a mass demonstration by the Italian people to the rest of the world. In order to make this intention clear, large groups, proclaimed by the placards they carried to be "not registered as Party members", were caused to march in the

demonstrating processions in Rome. Also, to make the point still clearer, the British Embassy at the Quirinal had been given a strong force of Carabinieri to guard it.

It was of course in keeping with the spirit of the whole occasion that Mussolini scarcely appeared at all in the rôle of the statesman, but almost exclusively in that of the popular orator. Compared with earlier speeches on this subject, his speech, with its demagogical-lyrical note, showed a certain falling-off. In the text as officially published there are noticeable several divergences from the speech as it was in fact delivered, although these are admittedly mainly stylistic in nature. Worthy of note is the distinction made with an eye on France, though admittedly not contained in the speech as delivered, between the "genuine and noble" French people and the British, to whom Mussolini denied the *epiteton ornans* of "noble". Furthermore, in the closing passage, the summons to "proletarian and Fascist" Italy, whereas Mussolini in fact spoke only of Fascist Italy. The greeting "to the soldiers who are waiting in Africa" was in fact addressed "to the soldiers at present engaged in fighting in East Africa". Curiously enough, a short sentence, with which Mussolini prefaced his remarks on Italy's attitude to economic and military sanctions, was deleted from the official text. In translation this sentence runs as follows: "Yet we must not behave as if we did not see the possibilities which the near future may bring".

The speech had undoubtedly been prepared beforehand, as, very soon after Mussolini had spoken, translations into other languages were being distributed. It would therefore appear that in fact he had not yet wished to speak of the imminent Italian advance—which has now been officially announced—but that in the end, once he was in immediate contact with the masses, he allowed himself to be carried away by his temperament and was betrayed into more unguarded and at some points indeed more vehement language.

A press cutting of the official text of Mussolini's speech is attached,¹

HASSELL

¹ Not reproduced (8053/E578927).

No. 325

8055/E578981-82

Ambassador Hassell to Foreign Minister Neurath

ROME, October 3, 1935.

DEAR NEURATH: I have reported on my first impressions here in two telegrams,¹ which deal with my conversations with Suvich and Mussolini. I added a few conclusions to the second and have now

¹ Documents Nos. 308 and 322.

supplemented them in a report, I 708,² because I did not wish to put everything into the telegram. As the Führer showed in our conversation in Munich³ a particularly lively interest in the whole matter and in the interpretation of Mussolini's actions, and as the report necessarily expands the telegram in various points, I should be grateful if the report could be submitted to the Führer as well as the telegram.

You can imagine what tension and excitement reign here; on the whole the prevailing feeling is that great danger is approaching. The Duce himself, too, gave the impression of being inwardly very excited.

I have just received a telegram from your son⁴ saying that he is arriving here on Saturday. Mayr of the Personnel Department had asked me whether I could not give up a man—namely Graevenitz⁵—to Alexandria; great cries of distress were coming from there. But, as you will understand, I have asked him to drop this request, since Rome does not seem to me to be at present the right place from which to take an official, as we shall presumably have a great deal to do not only in the political but also in the economic field in view of the complications which are arising.⁶

HASSELL

² Document No. 323.

³ No direct record of such an interview has been found. In a letter to Thomsen of Nov. 27 (8035/E577890-91), Hassell, requesting a second audience with Hitler for Professor Manacorda [of the University of Florence], referred to having seen Hitler himself in September 1935, on which occasion he had spoken of Professor Manacorda, whom Hitler had subsequently received.

⁴ Konstantin von Neurath, Attaché at the German Embassy in Rome. Saturday was Oct. 5.

⁵ Kurt Fritz von Graevenitz, Secretary of Legation at the German Embassy in Rome.

⁶ The carbon copy here printed bears the note: "Closing formula in handwriting."

No. 326

2784/540426-28

Memorandum by the Acting State Secretary

BERLIN, October 4, 1935.

[III O 4501.]¹

The Italian Ambassador called on me this evening. Signor Attolico began the conversation by asking whether Herr Aschmann had already informed me of their brief conversation² about Hoare's message to Mussolini.³ When I replied that he had, the Ambassador explained that the matter, nevertheless, seemed to him to be so important that he would like to explain it to me once more personally, in the light of the informatory telegram which had reached him from

¹ Taken from another copy (M257/M010967-69).

² No record of this conversation has been found.

³ See document No. 317.

Rome. Signor Attolico then quoted, with the aid of the telegram which he had brought with him, the text, of which we are already aware, of Hoare's personal message to Mussolini. He said the Duce had received a strict assurance from the British Foreign Secretary that Britain would not resort to military sanctions and would only reluctantly decide even upon economic sanctions. This indisputable factual position had in no wise been changed by developments during the last few days, in particular the opening of hostilities in Abyssinia.⁴ Nor did Mussolini's summons yesterday to the Italian people, in which the Head of the Government had seemingly adopted a more pessimistic tone, change this in any way. Rome still remained firmly convinced that there would be no military sanctions. Moreover, the attitude of France and other League of Nations Powers offered a sure guarantee of this. For a collective sanctions measure of a military kind would never be taken in Geneva and for Britain to decide on such action alone and outside the framework of the League of Nations seemed to him out of the question, even without the reassuring statement from Hoare. Nor was this view in any way invalidated by the familiar British enquiry to France⁵ about the French attitude in the event of Italian hostilities *vis-à-vis* British forces in the Mediterranean. This enquiry had been made before the Hoare declaration and had been rendered, if not out-of-date, at least innocuous by it.

Britain's designs were quite otherwise directed. Britain wished to erect as effective a blockade as possible against Italy, just as she had once done against Germany. In this respect the British were chiefly concerned with coal. The Ambassador referred to the recent statements of Reuter's correspondent, who had admitted quite bluntly that Britain could not tolerate it if her coal trade were in future no longer to be carried on by herself, but by others, and especially by Germany. For Britain that was the crux of the matter, both for economic reasons and for reasons of military policy. In saying this, the British correspondent had undoubtedly hit the nail on the head. The Ambassador referred in this connection to Roosevelt's speech yesterday⁶ in which he had proclaimed the strict neutrality of the United States and had also given a list of articles which would come within the scope of the American neutrality [provisions]. It was significant, he said, that coal was not included. According to the press, a similar declaration of neutrality had also been made by the Japanese Government.⁷ But

⁴ It was announced in a communiqué issued in Rome on Oct. 3 that Italian troops had advanced from their positions.

⁵ Presumably a reference to the British enquiry of Sept. 24; see document No. 321, footnote 6.

⁶ Evidently a reference to Roosevelt's speech at San Diego, California, on Oct. 2; for text see *The Public Papers and Addresses of Franklin D. Roosevelt*, vol. 4 (New York, 1938), pp. 405-412.

⁷ A statement on the Japanese attitude had been made by a Japanese Foreign Ministry spokesman on Oct. 4; see *The Times* of Oct. 5, 1935.

the most important purveyor of coal to Italy was, and would remain, Germany. It was well known that coal exports to Italy had only recently been considerably increased by a German-Italian agreement.⁸ Britain would attempt, by every possible means, to impede the export of coal from Germany to Italy and therefore to draw Germany into the circle of the blockading Powers. The Ambassador said he had indeed been informed that no enquiries or *démarches* in this sense had as yet been made to us by the British Government, but he was convinced that they soon would be. As to the German attitude as a whole to the Italo-Abyssinian conflict, the Ambassador said that in his speech to the Reichstag at Nuremberg the Führer and Chancellor had indeed already made statements which were unmistakably designed to reassure Italy on the subject.⁹ The only question for Italy was, therefore, how German neutrality as announced by the Reich Chancellor would affect the coal problem in future. The Ambassador closed the conversation with the request that he be kept currently informed, if at all possible, of further developments. Signor Attolico left it uncertain as to whether he was speaking on special instructions from his Government or merely out of his own concern lest matters might take a turn possibly unfavourable to Italy.

I did not take up this last distinctly naïve request, and throughout confined myself to listening to what the Ambassador had to say and telling him that I would report his remarks to a higher authority.¹⁰

The Ambassador also enquired when the Foreign Minister and the State Secretary were expected back. I replied that I expected them both back at the end of next week at the latest.

KÖPKE

⁸ New payments and clearing arrangements for Italy's coal imports from Germany for the period Sept. 1 to Dec. 31, 1935, providing for up to 3,200,000 tons of coal, had been made in an exchange of Notes dated Sept. 25, 1935 (9630/E679155-60). This total did not include quantities covered by any separate arrangements, such as the tripartite transaction with Hungary, which had been or would be concluded (details of which have not been found). In the expected event of Italian imports reaching the agreed total before Dec. 31, the two Governments would enter into new negotiations. No records of the negotiations leading up to this exchange of Notes have been found. For the negotiations held in June 1936 see vol. v of this Series, document No. 398.

⁹ The reference is presumably to the third sentence of the passage in Hitler's speech of Sept. 15 cited in the Editors' Note on p. 632.

¹⁰ Marginal note in Neurath's handwriting: "Quite sufficient." Neurath initialled the document here printed on Oct. 7.

No. 327

2368/494188

Minute by an Official of the Foreign Minister's Secretariat

[BERLIN,] October 4, 1935.

TELEPHONE MESSAGE FROM THE FOREIGN MINISTER FOR THE ACTING
STATE SECRETARY

If the British Ambassador asks for an appointment to discuss the question of participation in sanctions,¹ please tell him that we shall maintain neutrality in the Abyssinian-Italian conflict.² NEURATH.

Received at 6:15 p.m.

Ko[TZE]

¹ An unsigned memorandum of Oct. 2 (3088/625444) records that Reuter's correspondent in Berlin had asked Aschmann whether the British Ambassador had made a *démarche* about possible German participation in sanctions; he had received information from Reuter's London office that Britain was intending to make such *démarches* to all States, members and non-members of the League of Nations. The correspondent had been told that nothing was known in the Foreign Ministry of such a *démarche*. A marginal note reads: "Original sent to Baldurschwang, Oct. 2. [Initial unidentifiable]." Neurath was at Baldurschwang, in the Bavarian Alps, on a hunting trip. See also document No. 333, footnote 5.

² No record of any such British *démarche* in Berlin has been found.

No. 328

2980/580601

Memorandum by an Official of the Foreign Minister's Secretariat

BERLIN, October 4, 1935.

The following has been learned, from a completely reliable source, about the conversation which Gömbös had with Attolico during his stay in Berlin: During the conversation, which was brief but cordial, Gömbös expressed the wish to have Mussolini informed at once that the press reports on the underlying reasons for his stay in Berlin were pure invention.¹ There had not been question of any sort of agreement of a military character; and in East Prussia he had met only one single Pole, as all the others had already left before his arrival.² The principles governing his policy *vis-à-vis* Warsaw, of which the Head of the Italian State was aware, also applied to Berlin. His journey was to be explained by Hungary's need to stand well with Germany. His impressions of National Socialism and its future were favourable. In the conversation between the Führer, Göring and Gömbös, the former had evinced esteem and sympathy for the

¹ See also document No. 309.

² The hunting party attended by Gömbös had been preceded by one arranged by Göring in honour of Prince Radziwill, Chairman of the Foreign Affairs Committee of the Polish Senate, General Fabrycy and Count Potocki.

Duce. He did not overlook the similarity between the Movements in Germany and Italy. Gömbös then went on to speak to the Italian Ambassador of the great advantages of German-Italian cooperation in maintaining equilibrium in Europe, on the subject of which he would probably communicate with the Duce further by letter upon his return to Budapest.³

Ko[TZE]

³ Marginal note: "[This] tallies with what G[ömbös] told me of the conversation. v. N[eurath]. Oct. 4[?]."

No. 329

8020/E577232

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 183 of October 4

ROME, October 4, 1935—11:25 p.m.

Received October 5—2:35 a.m.

III O 4503.

With reference to your telegram No. 193.¹

I learn from a good source that Mussolini's promise, made in his Piazza Venezia speech,² not to regard as a *casus belli* the economic sanctions was the work of Laval, who on his part had promised to make every effort to prevent military sanctions whatever happened, if, as was inevitable, France agreed to certain economic sanctions. Nevertheless, from his conversation with me³ it would appear that Mussolini does not consider the danger of war with Britain excluded. In this connection and as throwing some light on the circumstances [described] in your telegram No. 191,⁴ it is of interest that, according to reliable information, Mussolini, when given Hoare's message, told Drummond that he was firmly convinced that Britain intended to take military action against Italy; Drummond, as instructed, tried to persuade him, but in vain, that this was not so and to represent the movements of the fleet as having a defensive purpose and as in no way signifying a decision to impose military sanctions. Mussolini in fact adopted a completely negative attitude and thereby caused the British Government corresponding annoyance.

HASSELL

¹ Not printed (8019/E577118-22). This circular telegram of Oct. 4 repeated to Missions the text of a special Havas report, issued during the night of Oct. 2, which dealt with assurances in respect of Italian policy given to Laval by the Italian Ambassador in Paris, and discussed various issues in connection with the question of sanctions.

² i.e., Mussolini's speech of Oct. 2; see document No. 324.

³ See documents Nos. 322 and 323.

⁴ Document No. 317.

No. 330

9096/E639727-29

*The Acting Reich and Prussian Minister of Economics to the
Foreign Ministry*

SECRET

II 38817/35

BERLIN, October 4, 1935.

Received October 4.

W 10544.

For the attention of Senior Counsellor Sabath.

I venture to send you the enclosed for your information.

In accordance with the suggestion in the above communication,¹ I have directed the Reich Commissioner for Iron and Steel temporarily to issue no foreign exchange permits for the import of Bilbao ore for the next fortnight, and to cause the foundries in question not to place orders for Bilbao ore during this period. As a measure of this kind can only be applied for a relatively short period and on the condition that the ore consignments forgone will be made up by the end of the year over and above the monthly quotas, I would request that negotiations on the supply of German war material to Spain be concluded with the greatest possible speed and that you, at your end, should make efforts to get orders placed soon.²

By order:
KOELFEN

[Enclosure]³

SECRET

BERLIN, September 24, 1935.

zu II 38817/35.

Subject: Military supplies for Spain.

We venture to enclose copy of a report⁴ drawn up by Herr v. Lupin on his negotiations in Spain about the supply of German war material.

We would comment on the proposals on pages 10 and 11 of the report that Señor de Laiglesia, as the representative of the CEDA Party, has expressly asked Herr v. Lupin to facilitate the conclusion of these agreements by causing the German buyers of ore from Bilbao to postpone these orders or to limit them until armaments orders have in fact been placed. The CEDA Party clearly intend to exert in-

¹ i.e., the document printed as enclosure.

² In a letter to the Ministry of Economics dated Oct. 30 (M200/M006406), Sabath stated that owing to internal developments in Spain the outcome of the negotiations was still uncertain and requested an extension of the ban on imports of Bilbao ore. In a letter dated Nov. 5 (9096/E639742) the Ministry of Economics confirmed that the ban had been extended for four weeks more by transferring orders from Bilbao to the Riff mines.

³ Addressed to the Ministry of Economics.

⁴ See document No. 303.

fluence on Bilbao (see page 7 of the report) with a view to inducing the remaining members of the Cabinet to agree to orders for army equipment being placed in Germany.

Heil Hitler!

REICHSGRUPPE INDUSTRIE
THE DIRECTORATE

No. 331

8597/E603717-18

The Embassy in the United States to the Foreign Ministry

Telegram

URGENT

WASHINGTON, October 5, 1935—0:10 a.m.

No. 218 of October 4

Received October 5—8:45 a.m.

W 10565.

With reference to our telegram No. 208.¹

Our discussions with official authorities are concluded. They were held with Hull,² Sayre³ and Grady⁴ of the State Department, Roper,⁵ Draper⁶ and Murchison⁷ of the Department of Commerce, and Wallace⁸ of the Department of Agriculture. Our initiative in the discussions and the form which the discussions took were obviously warmly welcomed in all quarters. But the discussions have led to no positive result with regard to October 15.⁹ The Government refuse to grant Germany most favoured nation treatment after October 15. The tone of the discussions was friendly on the whole, although the discussion with Hull was occasionally acrimonious. Opposition to the continued granting of most favoured nation treatment obviously comes primarily from the State Department. The following were given as reasons for the refusal:

(1) In a *modus vivendi à la* Czechoslovakia,¹⁰ performance and counter performance would not set each other off, since German most

¹ Of Sept. 28. Not printed (8597/E603708-10).

² For the discussion between Hull and Ritter on Oct. 1 see *Foreign Relations of the United States, 1935*, vol. II, pp. 464-466. A memorandum of Oct. 1 on this discussion by Senior Counsellor Davidsen of Department III of the German Foreign Ministry, who accompanied Ritter to Washington, has been filmed as 8597/E603741-46.

³ Francis B. Sayre, Assistant Secretary of State; for the conversations between Ritter and Sayre of Sept. 26 and Oct. 4 see *ibid.*, pp. 461-464 and 468-470.

⁴ Henry F. Grady, Chief of the Division of Trade Agreements in the State Department; for the conversation between Ritter, Davidsen and Grady of Oct. 2 see *ibid.*, p. 467. A memorandum by Davidsen of Oct. 4 on this and other conversations in Washington has been filmed as 8597/E603749-52.

⁵ Daniel C. Roper, Secretary of Commerce.

⁶ Ernest G. Draper, Assistant Secretary of Commerce.

⁷ Claudius T. Murchison, Director of the Bureau of Foreign and Domestic Commerce in the Department of Commerce, 1934-1935.

⁸ Henry A. Wallace, Secretary of Agriculture.

⁹ The date on which the withdrawal of American most favoured nation concessions to Germany would take effect. See document No. 264, footnote 4.

¹⁰ The reference is to the agreement of Mar. 29, 1935, between the United States and Czechoslovakia; see *Foreign Relations of the United States, 1935*, vol. II, pp. 145-147.

favoured nation treatment, even if conceded for the three familiar points, would not work out in practice as it was impossible to concede full most favoured nation treatment for the fourth point.¹¹ On this point I explained that, in view of the German balance of trade in the last few months and also in consequence of the successive adjustment of Clearing Agreements to the British system,¹² we could hope that Germany's position would become somewhat easier in the near future; we could not, however, commit ourselves to ensuring any definite development. On this point, the only way in which the Czechoslovak clause could be exceeded was by a declaration of goodwill to the effect that we would make efforts to increase, as far as possible, the allocations of foreign exchange in future beyond the rate of the last few months.

(2) In the present state of affairs, public opinion would regard the granting of most favoured nation treatment as a partial renunciation of the Government's commercial policy programme, which was in any case being strongly disputed.

(3) America's position in current trade treaty negotiations with all countries would be seriously shaken if an agreement without full most favoured nation treatment were concluded with Germany. France and Switzerland were in any case making difficulties with regard to full most favoured nation treatment. From hints dropped by Hull in particular it is apparent that, apart from these frankly stated reasons, there are others too.

The Government are clearly inhibited by domestic circumstances in coming to any terms at all with Germany, the more so if the agreement should not prove sound from the commercial point of view. We have advanced all the counter arguments that have often been discussed in Berlin, and their validity was, in part, recognized. In particular, we pointed out the possible consequences of breaking off most favoured nation relations.

The complete refusal with regard to October 15 was mitigated only by some observations concerning the possibility [of review] at a later date. Hull has repeatedly said that the Government did not wish the situation to become aggravated, but were on the contrary prepared to watch carefully for any later opportunity in order to review their present attitude. Germany, he said, must contribute to this step by step.

He said in this connection that the Dawes and Young settlement

¹¹ These four points were respectively: (1) Proportional participation in quotas; (2) proportional participation in purchases by monopolies and similar agencies; (3) most favoured nation treatment in customs matters; (4) proportional allocation of foreign exchange. See *ibid.*, p. 463.

¹² Evidently a reference to the Anglo-German Payments Agreement of Nov. 1, 1934; see document No. 22, footnote 7. Ritter told Sayre on Sept. 26 (see footnote 3 above) that all clearing arrangements, except the payments agreement with Britain, had had an adverse effect on Germany's foreign exchange income.

was such an initial step. A separate telegram giving our evaluation of the present position and our view as to our future attitude follows.¹³

RITTER

¹³ See document No. 332.

No. 332

5649/H003404-07

The Embassy in the United States to the Foreign Ministry

Telegram

No. 219 of October 4 WASHINGTON, October 5, 1935—12:10 a.m.

Received October 5—9:30 a.m.

W 10570.

With reference to our telegram 218.¹

(1) As reported in telegram No. 208,² we found the gentlemen in the State Department fully informed about present conditions in Germany and about the difficulties of our position. On the other hand, we found completely mistaken views about the fundamental aims and methods of our commercial policy. All official circles here have formed the opinion that we are opposed in principle to most favoured nation treatment and that we regard a bilateral balance of trade [*Ausgleich*] between any two countries as a deliberate and permanent aim of our commercial policy and not one adopted merely as an emergency measure. The Government here take the view, in which they are probably right, that the United States would be the greatest sufferer if, instead of a free multilateral exchange of goods, such a bilateral system were to prevail in world trade. Hence the State Department's sharp practical antagonism towards us. Just as the Embassy has already done, we have made it our special task to correct these mistaken views and to convince the Government here that we are still in principle supporters of most favoured nation treatment and that for us, too, bilateral trading is only an emergency measure. Although our assurances were given due attention, we did not gain the impression that we had been able fully to convince the other side. Our assurances are probably, to a certain extent, viewed as mere manœuvring designed to obtain American most favoured nation treatment.

(2) The view obtaining here should be borne in mind in Berlin if our future commercial policy towards the United States of America is now to be decided upon. There are two alternative attitudes possible. The first alternative is one that is usual in commercial policy

¹ Document No. 331.

² See document No. 331, footnote 1.

and obvious in itself, namely, that we strike the United States off the most favoured nations list with effect from October 15 and, furthermore, within the bounds of what is economically possible, that we turn still further away from the United States and develop our economic relations with her competitors.

The other alternative is that we desist from such measures for the time being, in order to keep the door open for any more definite developments which might be possible in the near future. We mean this merely in the material sense, namely that, because of the doubts prevailing here about our attitude to the principles of commercial policy, doubts which are understandable in view of actual conditions, we ought not to do anything that might be regarded as confirming the view held here that Germany rejects, on principle, most favoured nation treatment and the multilateral exchange of goods. It would in effect have hardly any practical significance if we were temporarily to leave the United States on the most favoured nations list, since with . . . (word missing) of the requisite permits it is entirely left to our discretion whether, and to what extent, we allow American goods to be imported. The only objection to the second alternative might be that removal from the most favoured nations list, if it took place by October 15, would appear natural, whereas at any later date it might acquire the character of a counter measure. This objection could be removed if Ministerialdirektor Dieckhoff were to ask the American Ambassador to call on him shortly before October 15, and inform him of the negative outcome of the discussions here, adding that it was after all self-evident that we should now remove the United States from the most favoured nations list too. If we refrained from doing so at present, it was for the sole purpose of showing the United States that, in so far as we had a free hand in the matter, we did not intend to depart from the principle of most favoured nation treatment, and also in order to keep the door open for more definite developments in our commercial relations.

A statement of this nature to the American Ambassador would prevent it from being later construed as a counter measure if we were, nevertheless, subsequently compelled to remove the United States from the most favoured nations list because we had finally to abandon hope of an understanding, or because Germany's position had again deteriorated owing to further contractual tariff concessions to other countries or to special measures taken against her on the basis of the familiar provisions of the American customs tariff. The Embassy staff and Davidsen³ are strongly in favour of the second alternative; they have in mind especially that, for reasons of general policy, everything should, if possible, be avoided which might give the situation, which is, in fact, not regulated by any treaty, the

³ See document No. 381, footnote 4.

character of an acute conflict. I myself naturally find it more difficult to adopt this course, which is unusual in commercial policy. Nevertheless, I too would recommend the second alternative.⁴

A further despatch concerning the general commercial situation between ourselves and America follows.⁵

RITTER
without signature⁶

⁴ Marginal note: "I am in favour of the second alternative. v. N[eurath]." See also document No. 340.

⁵ This was telegram No. 228 of Oct. 7 (not printed, 8597/E603729-32).

⁶ i.e., the counter-signature of a member of the Embassy staff is missing.

No. 333

8016/E576571-72

Memorandum by an Official of the Foreign Minister's Secretariat

BERLIN, October 5, 1935.

III O 4709.

At noon on October 4, I met Ambassador von Papen, who said he had seen the Führer the day before in East Prussia and would visit him again in Berlin on the 5th before leaving for Vienna.¹ I asked him to take the opportunity of finding out, if possible, whether the Chancellor also proposed to speak about foreign policy on Sunday,² on the Bückeberg. This he promised to do.

Herr von Papen rang me up this afternoon and informed me that the Chancellor did not intend to deal with foreign policy on the occasion of the Harvest Thanksgiving Festival.³

Meanwhile, the Foreign Minister this morning received the telegram despatched yesterday by the Acting State Secretary,⁴ whereupon he had the Reich Chancellery informed by telephone that the following message from himself should be given to the Führer and Chancellor:

If the Führer was intending to speak about foreign policy on Sunday, which he (the Foreign Minister) did not consider absolutely necessary, he would suggest that he do so in some such terms as that we were anxious to avoid taking sides with either of the two belligerents and did not wish to be drawn into the conflict in any way. Therefore we would not take part in any possible sanctions that might be resolved upon by Geneva but would maintain complete neutrality towards both belligerents, which would mean that the export of war

¹ See also document No. 335.

² i.e., Oct. 6.

³ For extracts from Hitler's speech at the Harvest Thanksgiving on the Bückeberg on Oct. 6 see Baynes: *Hitler's Speeches*, vol. 1, pp. 1254-1255.

⁴ Not found.

materials to both belligerent countries would be forbidden, but that we desired to continue the peaceful exchange of goods with both.⁵

Herewith respectfully submitted to the Acting State Secretary.

VON KOTZE

⁵ The text (8071/E579340) of this message, as telephoned to the Reich Chancellery from Baldurschwang (see document No. 327, footnote 1), reads: "Should you be intending to speak about foreign policy tomorrow, which I do not consider absolutely necessary, I venture to suggest that on the Abyssinian-Italian conflict you should merely state that we have no part in this quarrel and shall take no part in possible sanctions measures by the League of Nations Powers. In pursuance of the attitude of neutrality that we shall be adopting towards both belligerent Powers, we shall forbid the export of war material but maintain friendly commercial relations with them. Neurath."

The text is marked: "1) Copy handed to the Führer and Chancellor. 2) To Min[isterial]rat Dr. Thomsen for information. 3) To be filed. M[eerwald], Oct. 5."

No. 334

8023/E577457-58

Note by a Deputy Director of Department II

BERLIN, October 5, 1935.

III O 4885.

According to information telephoned by Herr Krauel, the Council of the League, in proceeding to make its recommendations this afternoon over the Abyssinian-Italian conflict, drew attention to the necessity of observing the provisions of the Covenant and also laid down that any violations of the Covenant should immediately be brought to an end.¹ This means that the Council is passing from the procedure under Article 15 to the procedure under Articles 12 and 16. Aloisi stated that he would ask Rome for instructions and announce his Government's attitude on Monday.² At the same time the Council has set up a new sub-committee³ whose task it is to determine the aggressor. The work of this committee will probably last for several days. It appears as if the Italians would be glad to enter into negotiations but that the British still refuse to enter into negotiations with Italy in present circumstances.

The Assembly is to meet on Wednesday.⁴ It is proposed to appoint a committee⁵ to work out the details of the sanctions procedure against Italy. It is said that Japan, America and Germany are to be invited to participate in this committee.

If Herr Krauel's last piece of information is correct, we may well

¹ For these proceedings see League of Nations: *Official Journal*, November 1935, pp. 1209-1213.

² i.e., Oct. 7.

³ The Committee of Six, composed of Chile, Denmark, France, Britain, Portugal and Rumania.

⁴ i.e., Oct. 9.

⁵ On Oct. 10 the League Assembly set up a committee to coordinate the measures which its members might prepare to take under Article 16 of the Covenant.

expect that the question of whether we will participate in sanctions against Italy may be put to us in the form of an invitation to [take part in] the work of the sanctions committee.⁶

RENTHE-FINK

⁶ Marginal note: "Participation by Germany is out of the question. v. N[eurath], Oct. 9."

No. 335

6114/E454405

Memorandum by a Deputy Director of Department II

BERLIN, October 7, 1935.

II Oe. 2840.

Herr von Papen rang me up on Saturday¹ afternoon to say that he much regretted that he could not now call at the Foreign Ministry, as it had unexpectedly proved impossible, on account of Bückeberg,² for him to have a special aeroplane, and he was therefore, in view of his engagements in Vienna, compelled to use the mail plane which left Berlin at midday. He wished, however, to report, at least by telephone, on the outcome of his conversation with the Führer and Chancellor.³ The Führer and Chancellor was agreeable to Herr von Papen's continuing his discussions with the Austrians;⁴ he was not, however, to exhibit any *empressement*, but to await developments calmly. Where German-Austrian relations were concerned, the aim should be as far as possible to break through Austria's spiritual isolation from the Reich. From the point of view of major policy, the general tendency should be to withdraw the Austrian question from international discussion as far as possible, and so prevent the Stresa front from being reconstructed on the basis of the Austrian question, while at the same time affording Britain relief politically where France was concerned.

Herr von Papen also promised to arrange to send us as soon as possible more detailed information in writing regarding the state of the negotiations.

RENTHE-FINK

¹ i.e., Oct. 5.

² The National Harvest Festival was held here on Oct. 6.

³ According to press reports Papen visited Germany to attend the reburial of Field Marshal von Hindenburg, and had two conversations with Hitler, one at Schloss Finckenstein, the estate of Count Dohna, and one on Oct. 5 in Berlin. No records of these conversations, other than the references contained here and in document No. 333, have been found.

⁴ See document No. 319.

No. 336

8017/E576951-55

The Chargé d'Affaires in Great Britain to the Foreign Ministry

A 3455

LONDON, October 7, 1935.

Received October 9.

III O 4617.

Subject: Conversation with Mr. Wigram about the political situation.

When calling at the Foreign Office to see Mr. Wigram, who has recently returned from long leave, I had quite a long conversation with him about various political problems.

As regards the Italo-Abyssinian conflict, Mr. Wigram vigorously represented the view that Britain's whole policy towards Italy was not inspired by any possible threat to the sea route to India should Italy conquer Abyssinia. Such thoughts were entertained, at the most, by a few colonial experts. When I expressed certain doubts about this view, Wigram said that he knew that everywhere outside Britain such motives were attributed to his Government, but that he adhered none the less to the views expressed above. I told him that, in my opinion, it was less a question of the sea route to India, which he rightly described as being endangered, if only because Malta lay close to Italy, but that Britain's real concern was the threat to Egypt in the event of the presence of a strong Italian force in the south of the Sudan, a danger which he himself was forced to admit was a possibility. When I asked how he thought the conflict would now develop, Mr. Wigram replied that, even for a member of the Foreign Office like himself, it was extremely difficult to obtain a clear picture, but let it be seen that he personally hardly believed in effective intervention by the League of Nations. From his subsequent remarks it transpired that he himself no longer regarded the League as an enduring structure. He thought that Germany, by withdrawing in 1933, had dealt it a mortal blow. The League had been born in the post-war period out of the general desire, which still prevailed here today among large sections of the people, to create an organization for the prevention of a new war. It had become apparent that the League was not in a position to fulfil its rôle, and his (Wigram's) idea was rather to bring about closer cooperation between the Western Great Powers, Germany, Britain, France, and to a certain extent, Italy. He said that these, however, were his purely personal opinions and he requested me to give no official expression to them. Nevertheless, he could tell me that his department had, in the last few weeks, been giving serious attention to the problem of the position of the Western Great Powers towards one another. All the statements that the Führer and Chancellor and other German politicians had made to

Britain, France and Belgium in the last few years had been assembled and subjected to careful study. Among these statements, Wigram mentioned, first, the observation made by the Führer and Chancellor in December 1933 to Sir Eric Phipps that Germany had no objection to an Anglo-French alliance,¹ and, second, the statement made by Ambassador von Ribbentrop at the opening of the Naval Conference in London.² Mr. Wigram again read me that part of this last statement (which he had by him) to which he was referring. This was the final part of this statement from the words: "It was, however, not these considerations alone which induced the Chancellor . . ." to the end, and Mr. Wigram pointed especially to the "German-French settlement which the German people desire" in paragraph 2. Herr von Ribbentrop's recent visit to Brussels³ seemed to him also noteworthy in this connection, and, according to the information that had reached him, his [Ribbentrop's] discussion with the Belgian Minister President had gone well.

A part of this whole complex of questions was the fact that during the present month Germany's withdrawal from the League of Nations would take effect,⁴ and the legal consequences of this were at this moment being studied by the Foreign Office. In this respect, he would recommend that I read again Sir John Simon's speech to the Commons on November 7, 1933 (see our telegram No. 255 of November 7, 1933, and report A 2947 of November 8, 1935 [*sic*: 1933])⁵. The relevant passages from Sir John Simon's speech, as given in the official parliamentary report, are also enclosed with this report.)⁶

Yet, said Wigram, if one considered in what way the three Western Powers could be drawn closer to one another, the only practical proposition seemed to him at the moment to be the realization of the Air Pact with the air restrictions envisaged in it. Britain was still keenly interested in the realization of the Pact, and he hoped that Germany, too, had not lost interest in it. I denied this and took the opportunity of acting on your instructions II R 1926 of September 4⁷ of this year

¹ For Phipps' reports to this effect on the conversation of Dec. 5, 1933, see *British Documents*, Second Series, vol. vi, Nos. 97 and 99; for Neurath's account of the same conversation see vol. ii of this Series, document No. 99.

² See document No. 131.

³ Ribbentrop visited Brussels, Sept. 27-28, 1935. The Chargé d'Affaires in Brussels reported on the treatment of this visit in the Belgian press in despatch A 296 of Oct. 3 (8468/E595978-82), and also stated that the Legation had not been informed of this visit except for a telephone message from a member of Ribbentrop's staff immediately before Ribbentrop's departure from Brussels. See also documents Nos. 381 and 477.

⁴ See document No. 106, footnote 7.

⁵ Telegram No. 255 (7467/H178996-99) and report A 2947 (7467/H179016-23) dealt with Sir John Simon's statement on foreign policy in the House of Commons on Nov. 7, 1933, for which see *Parl. Deb., H. of C.*, vol. 281, cols. 41-64.

⁶ Not reprinted (8017/E576956).

⁷ Not printed (7846/E569350-51); this stated, in reply to despatch A 2788 of Aug. 23 (6695/H103957-59) in which Bismarck reported a conversation with Sargent, that the Air Pact negotiations, like the other pact projects [see document No. 252 and footnote 5 thereto], would have to wait until October.

(no opportunity of acting on these instructions had hitherto presented itself), by pointing out to him that, as of course he knew, it had not been possible for the German side to discuss the pact problems as a whole during August and September owing to all the Ministers being absent from Berlin. Mr. Wigram said he was aware of this, but that, according to what he had been told in Berlin by Sir Eric Phipps during his recent visit, the Foreign Minister had told the British Ambassador that he might shortly expect a Note on the question of the Eastern Pact.⁸ This would, indeed, be desirable, since when Parliament reassembled a question on the subject would certainly be put to Sir Samuel Hoare. Mr. Wigram then raised once more the question of the bilateral agreements, whereupon I referred him to the German draft for the Air Pact⁹ and the statement by Ambassador von Hoesch to Sir John Simon [*sic*] (see report A 2646 of August 1 of this year),¹⁰ that such agreements were out of the question for Germany. Like Sir Samuel Hoare in the conversation above referred to, Mr. Wigram said that he hoped this was not Germany's last word, as France was insisting on such agreements and, if they were concluded in the same terms between all parties, he would imagine that Germany would be in a position to withdraw her objections. Besides, it was, of course, always open to Germany at first to declare only her readiness in principle and then, if the terms in question did not suit her, to refuse to agree. I again told Mr. Wigram that I could only refer him to our draft Air Pact and Ambassador von Hoesch's statement, to which he replied that Britain would be certain to raise the problem once again.

BISMARCK

⁸ Marginal note in Köpke's handwriting: "?" Phipps had reported on Sept. 16 (see British Blue Book, Cmd. 5143 of 1936, No. 40) that Neurath had told him that Germany did not propose to reply to British enquiries about an Eastern Pact until "quieter times" came. A memorandum of Sept. 18 (2368/494185) by Neurath reads: "The British Ambassador this morning brought up the matter of the pacts, albeit very hesitantly, and wanted to know whether I had anything fresh to say to him about them. I replied that he himself would certainly not expect me to express an opinion on any of the pact drafts at the present moment. When he thereupon enquired when I might be able to do so, I replied that I could not say at the moment." No further material on the subject has been found in the files.

⁹ See document No. 106, enclosure.

¹⁰ Document No. 243.

No. 337

6147/E460310-14

The Minister in Hungary to the Foreign Ministry

SECRET

A 177 P 15

BUDAPEST, October 7, 1935.

Received Oct. 11.

II Ung. 837.

POLITICAL REPORT

Subject: Minister President de Gömbös reports to the Hungarian Council of Ministers on the impressions gained from his journey to Berlin.

At a Cabinet meeting the day before yesterday, Minister President de Gömbös gave the Ministers his colleagues an account of the impressions he had brought home with him of his visit to Germany. A member of the Cabinet who is at present in office gave a reliable confidant a detailed account of the Minister President's remarks, which I have incorporated in the attached memorandum.

Out of consideration for the source, I would request that this report be treated as strictly confidential.¹

MACKENSEN

[Enclosure]

BUDAPEST, October 7, 1935.

MEMORANDUM

(1) The Minister President began by saying that in his conversation with the Führer he had declared, when the Führer had explicitly asked about the nature of Italo-Hungarian relations, that Hungary had not entered into any military commitments whatsoever *vis-à-vis* Italy, since there existed between Hungary and Italy no military agreement whatsoever, nor any protocol of that order, and that, therefore, Hungary was in no way committed to affording Italy military assistance in the event of a European conflict.

(2) With regard to German-Italian relations and the related Austrian question, the Führer had stressed to him that his personal appreciation of Mussolini had not altered in any way. For fundamental reasons, Germany had no interest at all in a collapse of Fascism. On the contrary, Germany was, in the nature of things, interested in the preservation of right-wing European States. With regard to the Austrian question, the Führer had declared that he was completely disinterested, but had added that Italy's policy of pin-pricks (here the Führer was referring to the Bolzano manœuvres)² was incomprehensible to him, nor did he think it calculated to create a better atmosphere between the two countries. In any case, he was not taking too seriously these somewhat petty methods which constituted the Suvich policy. The Minister President summed up his impressions as regards this question by saying that he thought that there was noticeable in leading German circles a certain conciliatory attitude towards Italy and a readiness to come to an understanding over the Austrian question.

(3) He had raised the minorities question in almost every conversation he had had in Berlin, including that with the Führer. His

¹ Marginal notes: (i) "[For the] R[eich] C[hancellor]. v. N[eurath], Oct. 12." (ii) "1) The Reich Chancellor is informed. In his view paragraph 3 of the attached memorandum is a complete misrepresentation. 2) To the Referent. L[ammers], Oct. 16."

² The Italian Army's grand manœuvres for 1935 were held Aug. 23-28 in the Bolzano area.

general impression was that the German side was beginning to lose interest in this question. He had been confirmed in this conclusion by a remark which Ambassador von Ribbentrop had made before a large company, when he had described this question as no longer being of interest. The Minister President then announced his decision henceforth to take sharper measures against German agitators.³

(4) With regard to the Yugoslav question, far less interest than previously had been evinced in Berlin, even where relations between Hungary and Yugoslavia were concerned. It had been stressed that it was to a certain extent a secondary matter, but that good relations with Yugoslavia would of course continue to be promoted, and that an improvement in the atmosphere between Hungary and Yugoslavia would also be welcomed. No quarter in Berlin had attached decisive importance to this whole question, but on the other hand the fact that there had been a certain improvement in Hungarian-Yugoslav relations, as exemplified by the very favourable course of the Hungarian-Yugoslav negotiations for a commercial treaty, was generally recognized and welcomed.

(5) The Minister President summed up the general impression he had gained from the conversations in Berlin approximately as follows: It was becoming ever more apparent that a clash with Bolshevism was becoming the focal point of Germany's foreign policy and that in this context the Sudeten German question was at present very much in the foreground. Further, it had been strongly emphasized to him, particularly in view of this situation, that the Reich Government attached decisive importance to cultivating the present definitely favourable relations with Britain. He had gained the impression that, for the Germans, good relations with Britain at present took precedence over everything else.

(6) In conclusion, the Minister President gave his impressions of the leading personalities in the Reich, the personal observation of whom—and of the atmosphere now prevailing in Berlin—had been among the objects of his journey. The confidant characterized the Minister President's descriptions in this respect as exceptionally favourable—indeed quite enthusiastic. M. de Gömbös had repeatedly emphasized that the present-day leaders of Germany were a group of exceptionally gifted, able and resolute men. He expressed his own profound admiration for the Führer, and emphasized that, from the point of view of international politics, Germany was at present in a better position than she had occupied for decades. Of particular interest to him had been his conversation with the President of the Reichsbank, which had been of a political nature. It had been of great value to him to become acquainted with the general trends

³ Marginal note in Neurath's handwriting: "cf. my memorandum [document No. 314]."

of Schacht's economic and financial policy. Schacht as a person had also made a profound impression on him.

With regard to the personality of the Reich Foreign Minister, M. de Gömbös had particularly spoken of his calm and his determination and the sureness with which he controlled the machinery of foreign policy, and had added that it was his impression that, where the handling of foreign policy questions was concerned, the Führer relied to a very great extent on the Reich-Foreign Minister, and that the latter enjoyed the unbounded confidence of the Führer.

No. 338

6680/H096332

*The Chinese Finance Minister to the Acting Reich Minister of Economics*¹

NANKING, October 7, 1935.²

IV Chi. 2074.

YOUR EXCELLENCY: I have the honour to acknowledge receipt of your letter of July 15, 1935,³ from which I am glad to learn that you have given your approval to the agreement drawn up between me and Mr. Hans Klein and further that you stand ready to give it your support so that the economic cooperation between our two countries may be promoted.

Concerning this matter, Mr. Klein has already submitted a plan to which I am giving the most careful consideration, with the view to its early materialization.

As to the sending of a commission of delegates to your country, it will have to be decided when a definite plan has been drawn up when I shall communicate with you again.

I avail myself of this opportunity to assure you of my high regards, I am,

Your Excellency,
Faithfully yours,

H. H. KUNG

¹ This document is in English in the original.

² Received in the Foreign Ministry on Nov. 6 under cover of a letter from the Ministry of Economics dated Nov. 5 (6680/H096331).

³ No copy of the letter as despatched by Schacht has been found, but see document No. 76, enclosure, and footnote 2 thereto.

No. 339

9590/E676137-39

The Director of Department II to the Legation in Rumania

Telegram

No. 104

BERLIN, October 8, 1935—8:45 p.m.

zu II Balk. 2359.

2369.

2396¹ R Ang. 3.

With reference to your telegrams Nos. 115, 116 and 117.¹

In the circumstances it would not appear advisable to issue a public statement or even to make direct representations. On the other hand, with the concurrence of the Reich War Ministry,² I agree that the Military Attaché, who, without attracting particular attention, will undoubtedly have an opportunity of speaking to King Carol during or after the manoeuvres, should, in his conversation with the King, touch on the subject of the pact with Soviet Russia.

The Military Attaché could express himself approximately as follows: The persistent rumours about negotiations between Rumania and Soviet Russia and about the imminent conclusion of a Rumanian-Russian pact have evoked the impression in Germany that the Rumanian Government, notwithstanding repeated *démentis*, are prepared to participate in one form or another in the Franco-Russo-Czechoslovak system of mutual assistance. This impression is, naturally, likely to impede very considerably the development of German-Rumanian relations. If the Rumanian Government are perhaps disquieted by the rumours being disseminated abroad about an alleged German-Polish-Hungarian agreement directed against Rumania,³ we would like to point out to them that these reports are completely tendentious and are obviously designed for the sole purpose of removing the doubts felt in Rumania about concluding a Rumanian-Russian pact. He, the Military Attaché, can, from his own precise official knowledge of the circumstances, assure the King that we have made no agreements against Rumania whatsoever.

The Military Attaché should of course avoid giving his conversation with the King the appearance of a political *démarche*. He should, on the contrary, so conduct the conversation as to make his remarks

¹ These three telegrams of Sept. 30 (9590/E676128), Sept. 30 (9590/E676131) and Oct. 3 (9590/E676132), refer to the apparent imminence of a Russo-Rumanian pact and request instructions as to possible counter measures. In the last telegram Pochhammer suggested that the statements made by Göring to King Carol in Belgrade (see vol. III of this Series, document No. 387, a copy of which was sent to Bucharest under a despatch (5885/E431238) of Dec. 19, 1934) be repeated either publicly or privately.

² Marginal note in Renthe-Fink's handwriting: "Col. Scheller informed me this afternoon that Herr v. Blomberg agrees."

³ In telegram No. 115 (see footnote 1 above) Pochhammer reported that the Polish Minister considered that recent reports about an alleged German-Polish-Hungarian pact had been inspired by Titulescu. See also documents Nos. 309 and 318.

appear to be, not a communication from the German Government, but rather a personal statement.

You should instruct the Military Attaché (who will receive no further special instructions from the War Ministry on this matter) accordingly. Finally, I would urgently request both you and the Military Attaché to observe complete silence about this matter *vis-à-vis* third persons.⁴

KÖPKE

⁴ A minute addressed to Köpke (9590/E676165-66), drafted by Busse on Oct. 11 and counter-initialled by Heinburg and Renthe-Fink on Oct. 12 and 14 respectively, reads: "It does not appear appropriate to repeat to Missions or to the War Ministry the many simultaneous and partly contradictory reports about the Rumanian-Russian pact negotiations; this would only cause confusion and achieve nothing. It would be advisable first of all to await the outcome of the impending conversation between our Military Attaché and King Carol. We should then have our own direct information, on the dependability of which we should be able to rely. [From this point onwards in Renthe-Fink's handwriting.] The time will then have come to answer the questions raised by H[err] v. P[ochhammer] in his reports."

No. 340

8597/E603727-28

The Acting State Secretary to the Embassy in the United States

Telegram

URGENT
No. 169

BERLIN, October 9, 1935—4:25 p.m.
zu W 10572¹ [Ang.] II.

With reference to your telegrams Nos. 218² and 219.³

1. For your information: In our view, the retention of the United States on the most favoured nations list would appear as a sign of weakness. Now that the American Government have already led the way by removing Germany from the most favoured nations list, America's removal from the German most favoured nations list cannot possibly be an unfriendly measure. Under no circumstances can the removal of America from the German most favoured nations list be interpreted as a departure from the most favoured nations principle.

2. You should inform the State Department in the appropriate manner that the German Government welcome Hull's repeated statement that the American Government do not desire any aggravation of the situation. We also share this view and, so long as no aggravation is caused by America, we, for our part, will also refrain from adopting any aggravating measures, such as the introduction of a higher tariff. The removal of the United States from the most

¹ This was telegram No. 221 of Oct. 5 from Washington (8597/E603723-25), in which Ritter and Luther discussed the advisability of Germany's making a statement along the lines of the resolution passed by the League of Nations Assembly approving American commercial policy (see League of Nations: *Official Journal*, Special Supplement No. 140, Annex 2, p. 76).

² Document No. 331.

³ Document No. 332.

favoured nations list is, however, according to our laws, the natural consequence of the American action.

3. For your information: We would, for example, regard the application of an "anti-dumping"⁴ tariff as being an aggravating measure.

4. You are advised, before informing the State Department, to consult with Ritter who has not been kept informed by us.

5. Dodd will be informed here on Thursday afternoon⁵ in accordance with paragraph 2.

6. A short press announcement about the removal of the United States from the German most favoured nations list will be made on Thursday evening or Friday morning, promulgation in the *Reichszollblatt* will be on Friday.⁶

7. With reference to your telegram No. 221.⁷ The proposed announcement about most favoured nation treatment would mean a fresh solemn commitment of the Reich Government to the most favoured nation principle *vis-à-vis* all countries and therefore needs careful consideration. However, the suggestion is being further pursued here.

KÖPKE

⁴ In English in the original.

⁵ i.e. Oct. 10. A memorandum by Dieckhoff of Oct. 11 (M86/M003107-09) records that he had that day informed Dodd.

⁶ See the *Reichszollblatt* of Oct. 12, 1935.

⁷ See footnote 1 above.

No. 341

8597/E603733

The Ambassador in the United States to the Foreign Ministry

Telegram

MOST URGENT

WASHINGTON, October 9, 1935—6:40 p.m.

No. 232 of October 9

Received October 10—2:30 a.m.

W 10724.

With reference to your telegram No. 169.¹

As the telegram under reference crossed with Ritter's and my telegram No. 228,² I will refrain, until I receive further instructions, from making the *démarche* here with the State Department.

Ritter, whose opinion I share, requests that, should your decision still be upheld when you have studied our differing view, you should not make any communication to the press and should stress also at the press conference that the measure should not be commented on.

If your decision is upheld and an announcement at least through

¹ Document No. 340.

² See document No. 332, footnote 5.

DNB is considered necessary, Ritter requests that this be limited to a few words.³

LUTHER

³ The Embassy in Washington was informed by telegram No. 171 of Oct. 10 (8597/E603734-35) that after further deliberation and consultation with Schacht the previous decision must be upheld and that the instructions contained in telegram No. 169 (document No. 340) should be carried out as soon as possible. A DNB bulletin would be issued, but the press would be instructed to refrain from comment for the time being. For the communication made by Counsellor of Embassy Leitner to the State Department on Oct. 11 see *Foreign Relations of the United States, 1935*, vol. II, pp. 470-471.

No. 342

8456/E595482-84

Ministerialdirektor Dieckhoff to Ambassador Ribbentrop

BERLIN, October 9, 1935.

DEAR JOACHIM: At the end of our conversation on Monday¹ you mentioned briefly a letter² which Count Kerchove had written to you about German-Belgian relations, especially the question of Eupen-Malmédy, and to which you did not intend to reply just yet. I happened to hear in the office today that the question of Eupen-Malmédy is of some topical interest at the moment. The fact of the matter is that the Belgian Government passed a law some time ago³ under which all Belgians who are not Belgian subjects by birth are liable in certain circumstances to be deprived of their Belgian nationality by a decision of the courts, and this law is, of course, aimed primarily at those inhabitants of Eupen-Malmédy who cause political embarrassment to Belgium. We had at first hoped that this law, about which we made representations in Brussels at the time,⁴ would not be enforced. The first proceedings have, however, now been instituted at the court at Liège⁵ and the main hearing will take place next Monday. In all probability the three or four inhabitants of Eupen-Malmédy concerned will be deprived of their Belgian nationality. If the matter were not pursued beyond these few cases, it might perhaps be regarded as being of small importance, although such proceedings always have a certain significance which is prejudicial and might possibly be used as a precedent by other countries.

¹ i.e., Oct. 7; no record of this conversation has been found.

² Not found.

³ For the text of the Law concerning the Deprivation of Nationality of July 30, 1934, see the *Moniteur Belge*, 1934, pp. 4242-4243.

⁴ The instructions of July 22, 1934, to the Legation in Brussels (8456/E595366-70) and the Belgian reply of Aug. 8, transmitted under cover of report A 273 of Aug. 9, 1934 (8456/E595378-80), are not printed.

⁵ The leader of the Christian People's Party [*Christliche Volkspartei*] in Eupen-Malmédy, Joseph Dehottay, and three other men had been deprived of their Belgian citizenship by a decision of the Liège Court of Appeal of June 24, 1935. This verdict was confirmed by the Court on Oct 24, 1935. The four men were expelled from Belgium in accordance with a decree of Dec. 14; see *The Times* of Nov. 9 and Dec. 28, 1935.

It is to be feared, however, that the matter will not rest with these few cases and that the Belgian Government will take similar action in the near future against a considerable number of those inhabitants of Eupen-Malmédy who are a nuisance to them. The result would be a constant disturbance to German-Belgian relations, for it is obvious that German public opinion, despite all the influence exerted by the Government in this matter, will not tolerate without a protest such constantly repeated action against members of our German frontier communities [*Grenzdeutschum*]. Consequently, if good and untroubled relations between Germany and Belgium are desired, such a completely unnecessary source of irritation to German public opinion should be avoided. Whatever the *legal* position in this question may be, for *political* reasons the Belgian Government should cease entirely from carrying out such measures. I enclose the short memorandum by Herr von Rintelen,⁶ which I requested; it gives all the details. If, when answering Kerchove's letter or in further conversations with him or other Belgian statesmen, you should have an opportunity of mentioning this point, it would certainly help in clarifying German-Belgian relations.

Heil Hitler!

DIECKHOFF

⁶ Not printed (8456/E595485-87).

No. 343

8016/E576567-68

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Airgram

No. 205

LONDON, October 10, 1935.

Received October 11—9:30 a.m.

III O 4667.

Vansittart's private secretary, Norton,¹ who lunched with me today, asked me whether I had as yet any information about what would be the Reich Government's reply to an enquiry regarding the German attitude to the resolution to apply sanctions against Italy. When I answered in the negative, Norton referred to the American policy of neutrality proclaimed by Roosevelt² and made it apparent that a similar German attitude would be very welcome here. The League Secretariat would presumably address an enquiry to Germany, though this could probably not be expected before next week; but individual Powers could also take steps, since Italy had been guilty not only of a breach of the Covenant of the League of Nations

¹ Clifford John Norton.

² For the texts of Roosevelt's proclamation of neutrality and arms embargo declaration, both of Oct. 5, see 49 U.S. Statutes 3476 and 3474.

but also of a violation of the Kellogg Pact.³ Norton vigorously emphasized that, even though Germany was no longer a member of the League of Nations, she could not be indifferent to all principles of international law being broken, as Italy was now doing.

Leeper,⁴ too, tried to demonstrate today to German correspondents that it was in Germany's interests not to give a negative reply to the impending enquiry. He said that, specially since Austria had yesterday adopted a negative attitude,⁵ thus making apparent the complete absurdity of the constant Austrian requests for the support of the League, it would be valued all the higher if Germany were to adopt a positive attitude. In this connection, I would also draw your attention to today's airmail report A 3524.⁶

BISMARCK

³ See document No. 298, footnote 4.

⁴ R. W. A. Leeper, Head of the News Department in the Foreign Office.

⁵ At the League Assembly's meeting on Oct. 9, when the findings of the States represented on the Council in respect of the Italo-Abyssinian dispute were debated, the Austrian representative had stated that his Government did not, for the present, see how they could associate themselves with certain of the conclusions already reached by other States Members of the League. See League of Nations: *Official Journal*, Special Supplement No. 138, p. 101.

⁶ Not printed (8017/E576958-59); in this despatch Bismarek reported a conversation with Lord Rennell of Rodd, who had suggested that Hitler should of his own accord make a gesture by issuing a declaration similar to that made by Roosevelt on American neutrality.

No. 344

6147/E460315-17

The Minister in Hungary to the Foreign Ministry

A 181 P 31

BUDAPEST, October 10, 1935.

Received October 14.

II Ung. 842.

POLITICAL REPORT

Subject: Minister President Gömbös on the impressions gained from his Berlin journey.

Further to my report A 177 of October 7.¹

After his return from Berlin, Minister President Gömbös was, during the remainder of last week, so occupied with reporting to the Regent and the Council of Ministers, with functions in connection with the celebration of his completing his third year as Minister President, with fundamental discussions within his own Unity Party, and, finally, with the latest work on the legislation for relieving agricultural property from indebtedness, that, except for a brief conversation upon his landing at the airport which afforded him the opportunity of expressing to me his lively satisfaction at the outcome of his

¹ Document No. 337.

visit to Germany, I have not been able to see him but have had to postpone my conversation with him until this week. M. de Gömbös has now responded to my request for an interview by proposing himself for lunch here, quite alone, yesterday.

Our conversation, which lasted an hour and a half, was concerned almost exclusively with his visit to Germany. He asked me to convey to Berlin once again the pleasure and gratitude with which he looked back on his stay in Germany, where he had been afforded a most welcome opportunity for frank and trustful discussions with all the leading men and where he had been able to renew or enter into friendships upon which he placed a high value. He had, he said, been particularly impressed by the warm and cordial reception accorded him wherever he went, not only in official circles, but also by the populace. He was warmly congratulating himself on having turned his decision to accept the invitation extended to him by the Prussian Minister President² into accomplished fact.

To this more or less formal expression of gratitude the Minister President added that he could tell me personally that he considered that the moment at which he had been able to have frank discussions with the leading personalities of the Third Reich could not have been more auspicious. He had been highly gratified at having been able to converse, at length and quite undisturbed, with all the personalities whom he had particularly wished to see. He had been profoundly impressed by the progress in stabilizing all conditions in our country since his last visit to Berlin,³ shortly after the assumption of power. He expressed unreserved admiration, too, for the way in which propaganda was organized in the new Reich.

The details which he gave me of his conversations at Rominten⁴ and in Berlin, did not, when compared with his statement to the Council of Ministers, as reported in my despatch A 177 of October 7, and with what I have learned from the relevant despatches from Berlin, contain anything basically new or substantially different.

I would add that, as I learn from a good source, his report to the Regent on the impressions he had gained from his Berlin visit was set in the key of "enthusiastic admiration".

MACKENSEN

² See document No. 307, footnote 2.

³ On June 17, 1933; see vol. I of this Series, document No. 324.

⁴ The estate in East Prussia which had been the scene of Gömbös' hunting trip with Göring.

No. 345

2368/494190-91

Memorandum by the Foreign Minister

BERLIN, October 11, 1935.
RM 762.

The British Ambassador, who called on me this morning on another matter, read me a telegram from the Foreign Office in which he was informed about a conversation¹ between Prince Bismarck² and Mr. Leeper.³ This telegram was obviously meant to show that in respect of the Memel elections the British had done everything they could and that our fears regarding irregularities etc., had been exaggerated. I took the opportunity to tell the British Ambassador the following: It was not now a question of disputing over what had happened in the past or over what the Signatory Powers had failed to do; it was much more important now that Lithuania should accept the consequences of the elections⁴ and that the Memel Statute should be faithfully observed. If this happened, then we should be quite prepared to cultivate friendly relations with the Lithuanians again. Should Lithuania on the other hand continue to pursue her policy of Lithuanianizing the Memel Territory and infringing the Memel Statute, we should expect the Signatory Powers not to let matters slide again, but for their part to try to ensure that the Memel Statute, which they had guaranteed, was duly observed.

When the British Ambassador objected that the German press continued to comment with extreme vehemence on events during the elections and that this might be an obstacle to the change of course which the Lithuanian Government had promised, I told him that instructions would be issued for the German press too to be gradually guided into calmer waters. After consultation with the Führer I instructed Aschmann accordingly.⁵

V. N[EURATH]

¹ No other record of such a conversation has been found.

² Counsellor at the German Embassy in London.

³ R. W. A. Leeper, Head of the News Department in the Foreign Office.

⁴ The elections, held on Sept. 29, 1935, had resulted in a majority for the *Einheitsliste* (the combined list of German parties), who had gained 24 seats to 5. See also document No. 356 and footnote 2 thereto.

⁵ In a memorandum dated Oct. 16 (6606/E496486) Schwager noted that he had been informed that on the previous day Hess had issued the following orders: "Until further notice all State and Party agencies are forbidden to hold any discussions on political or economic matters with Memellanders; pending a final solution, only the Gauleiter [Koch] in Königsberg is to conduct such conversations."

No. 346

8016/E576566

Memorandum by the Director of Department III

BERLIN, October 11, 1935.

[III O 4707.]¹

The Japanese Chargé d'Affaires,² who had yesterday—without special instructions from his Government—made an appointment to obtain information about the Reich Government's attitude to the Italo-Abyssinian conflict and to the question of sanctions in particular, called here today. I told him that the attitude of the Reich Government had been indicated in the Führer and Chancellor's Reichstag speech at Nuremberg;³ this was a conflict which did not concern us and into which we had no wish to be drawn. As regards the sanctions measures to which the League of Nations might resort, they were not binding on Germany, since Germany no longer regarded herself as a member of the League. But it was of course possible that the League, or individual members of it, would, as soon as sanctions had been resolved upon, begin by approaching Germany and enquiring as to our attitude. No decision had yet been reached as to what answer the German Government would give to such a question. I myself could imagine that we might reply to the effect that we desired, as far as possible, to continue our normal trade within the framework of our trade agreements with the States in question.

[With regard to the question, raised by the Chargé d'Affaires, of a possible arms embargo, I said that here again no decision had yet been reached but that it was not wholly impossible that, somewhat on the same lines as the action taken by the American President,⁴ we would impose an embargo on the export of war material to both belligerent States.]⁵

The Chargé d'Affaires thanked me for my information and said that the Japanese Government had hitherto not adopted any attitude whatever towards the conflict and would presumably continue to try to keep out of this conflict as far as possible.

DIECKHOFF

¹ Taken from another copy (8022/E577347).

² K. Inoue; in a memorandum of Oct. 10 (M256/M010965) Erdmannsdorff noted a telephone conversation with Inoue who wished to call on the Acting State Secretary or on Dieckhoff.

³ See document No. 326, footnote 9.

⁴ See document No. 343, footnote 2.

⁵ Marginal note: "Very urgent. To Herr Renthe-Fink, Herr Heinburg, Herr Rintelen, Herr Rödiger ([Dept.] IV) for information. The reply seems to me excellent and worth repeating if similar enquiries are made within our sphere of competence (omitting the passage marked in square brackets, which is out of date as the Reich Chancellor has refused to issue such a declaration). K[öpke], Oct. 12." See also document No. 351.

No. 347

6127/E456564

Memorandum by an Official of the Economic Department

BERLIN, October 11, 1935.

e.o. W spec. 782.

Subject: Position of the VDA in relation to work among communities abroad.

Regierungsrat Krahmer-Möllenberg told me yesterday in confidence that his information was that Reich Minister Hess and General Haushofer¹ were to come to Berlin next week to carry out the reorganization of the Volksdeutsch Council.²

It appeared that the VDA might revert to its original rôle as an association for schools abroad and that all political, economic, social and scientific tasks might be detached and assigned to other bodies.³

The fact that on October 1 the VDA had given about half its personnel notice seemed to him to make his information all the more credible.⁴

SCHWAGER

¹ Professor Karl Haushofer, of the University of Munich, a retired Major General, editor of the periodical *Zeitschrift für Geopolitik*; no record of this meeting has been found.

² See also vol. II of this Series, documents Nos. 31, 60 and 74, and vol. III of this Series, documents Nos. 16 and 525.

³ Memoranda by Stieve and Kempe, dated July 19 (8771/E611256) and July 26 (8771/E611257) respectively, referred: (i) to Stieve having heard of an order by Hess redistributing duties between the Auslandsorganisation, the VDA and the Büro Ribbentrop, and (ii) to information about an agreement between Ribbentrop and Hess on the division of work between the Auslandsorganisation and the Büro Ribbentrop. Both of these arrangements, of which no further details have been found, limited the Auslandsorganisation's field to work with Reich Germans abroad; but while the former divided the *volksdeutsch* work between the Büro and the VDA, the latter made no mention of the VDA. In a memorandum of Oct. 7 (6127/E456563), Schwager noted that negotiations about the division of work on agricultural and economic tasks were in progress between the VDA and the Reich Food Estate.

⁴ See also document No. 549 and footnote 4 thereto.

No. 348

9586/E675622-25

Minister Mackensen to Foreign Minister Neurath¹

BUDAPEST, October 11, 1935.

Many thanks for your letter of September 30² and its enclosure, which was very valuable to me, on the further conversation with

¹ Neither the document here printed, which is the Budapest file copy, nor the copy in Neurath's own file (2980/580588-91), reproduces the opening and closing formulae which were evidently added in manuscript to the original.

² Not found; the enclosure was presumably a copy of document No. 314.

G[ömbös]. You will in the meanwhile have received the despatch³ in which I have reported the statements made by G[ömbös] to the Ministers his colleagues upon his return. This seems to me to be even more interesting than what he said on the same subject to the German representative here. On this I wrote a report yesterday⁴ which I am sending to Berlin by W[ini]⁵ today. I deliberately confined myself to that which is appropriate in a report which will pass through many hands, but I should like to add the following in this private letter. When he lunched with us, G[ömbös] was in a highly agreeable frame of mind, nor did he, during the hour and a half he spent with us, allow himself to be disturbed by the mass of business of all kinds which confronted him on his return and which still confronts him.

For him, the real value of his visit lay in his conviction, based on the testimony of his own eyes, that conditions in Germany had been consolidated to a degree which even exceeded his expectations. It was not only to me that he said this; he stresses it in every conversation about his visit to Germany, and he also did so in his big speech yesterday to his Party (see enclosure).⁶ He attributes this consolidation primarily to the manner in which the Führer conducts affairs of state, giving clear general directives but also—unlike Mussolini—allowing the men whom he trusts full freedom of action in the spheres of work assigned to them. In this connection, a remark by Reich Minister Goebbels had made a great impression on him; Goebbels had said that if he went to the Führer with a question which concerned his Department and asked for a decision, he risked getting the retort: "Are you the Propaganda Minister or am I?"

Reich Minister Goebbels' personality had clearly impressed the M[inister] P[resident]. He told me that he had found it a great pleasure to listen to him, particularly as he seemed always to be able to follow his visitor's train of thought and to comment in well-turned phrases. It was in Germany, he said, that he had seen for the first time what propaganda could be.

From the Reich War Minister⁷ he had received the warm welcome he had anticipated. When the conversation touched on the special case⁸ of which you are aware, the Colonel General had at once declared: "Agreed, completely and with pleasure, as long as the Führer agrees too." Whereupon he [Gömbös] had not pursued the matter further there.

In these circumstances, therefore, his conversation with Reichsbank

³ See document No. 337.

⁴ See document No. 344.

⁵ See document No. 146, footnote 1.

⁶ Not found.

⁷ Colonel General von Blomberg.

⁸ See document No. 307, footnote 2.

President Schacht⁹ had been particularly valuable to him, for the special case had been dealt with in a distinctly positive sense, and, what was more, he had had an opportunity of acquiring detailed information about Schacht's great politico-economic ideas, in which he had always been particularly interested and the successes of which were obvious.

With regard to his conversation with the Führer's Deputy, he picked out for mention that the latter had raised the minorities question and in particular the subject of the "Magyarization of names". He had been able to refute the assertion that in Hungary everyone was compelled to Magyarize his name, if he did not wish to be put in prison, by simply instancing the case of his own mother, who was a Swabian and who still called herself Anne Marie Weitzel. Here the M[inister] P[resident] added that at any rate now was a chance to discuss this question. (This was a reference to Rödiger's visit to Budapest to see Pataky.)¹⁰

The M[inister] P[resident] had great pleasure in emphasizing that he felt that, during his stay in Germany, he had come to know M[inister] P[resident] Göring much more intimately. From the start he had formed a correct picture of him, particularly of his human side. What made G[öring]'s personality so attractive to him was the fact that this world-famous war-time pilot and successor to Richthofen always evaded most modestly any reference to his war exploits and—when asked about those days—would say deprecatingly that he had only done his duty like thousands of others.

In his survey in retrospect of his Berlin return journey, the M[inister] P[resident] returned once more to the subject of the sensational reports in the international press¹¹ and said that he had expected such reports but had not allowed them to deflect him from his plans. I had the impression that he was here referring to a certain amount of opposition to his making his visit at this juncture, raised by another quarter responsible for foreign policy here, in view of the international disquiet which might be expected.

W[ini] will tell you orally what the M[inister] P[resident] said about the hours he spent at the Villa.

M[ACKENSEN]

⁹ See document No. 316.

¹⁰ See document No. 274 and footnote 3 thereto.

¹¹ See documents Nos. 309 and 318.

No. 349

M217/M007102-05

The Minister in Austria to the Führer and Chancellor

A 2320

VIENNA, October 11, 1935.

Received October 12.

III O 4714.

Subject: The Austrian attitude to sanctions.

At the same time as the [League] Assembly in Geneva was defining its attitude to the Italo-Abyssinian conflict,¹ I had a conversation with Foreign Minister Baron Berger.² When I asked him about the Austrian Government's attitude, Herr von Berger stressed that Austria was demanding for herself the same rights as Germany had done on the conclusion of the Treaty of Locarno,³ and that, in view of her special political and economic position, she would make all reservations about the Council's proposal regarding the application of sanctions against Italy. An agreement to this effect had been made with Hungary. When I objected that the effects of the sanctions to be decided upon would be rendered illusory if only a certain number of States were to adhere to them, Baron Berger said that he shared this view. In Geneva people inclined to the view that the collective imposition of sanctions was impossible and that, after what would probably be a swift military victory, Italy would immediately grasp the chance of entering into negotiations for a compromise. He had gained the impression from his conversation with Mr. Eden in Geneva that Britain would not, in isolation, take any measures which might lead to a warlike conflict with Italy. I remarked that this optimistic view of Eden's was somewhat in contradiction to the very grave account of the position which Mussolini had given our Ambassador in Rome during their latest conversation.⁴ "Since then things have changed considerably," said Herr von Berger, "Mussolini is now much more optimistic about the possibility of a compromise solution."

¹ The League Assembly had met again, Oct. 9-11, when the delegates of 50 out of the 54 States represented had acquiesced in the findings of the Council, the delegates of Austria and Hungary dissenting in speeches made on Oct. 9; for the text see League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly, Plenary Meetings*, Special Supplement No. 138, p. 101.

² A fuller record of this conversation is contained in a memorandum by Papen dated Oct. 9 (8678/E607215-18).

³ A Draft Collective Note, addressed by the other Powers to Germany at the time of the signature of the Locarno Treaties, explained that the Signatory Powers were not in a position to speak in the name of the League but did not hesitate to state their own interpretation of Article 16 to be that "each State member of the League is bound to cooperate loyally and effectively in support of the Covenant and in resistance to any act of aggression to an extent which is compatible with its military situation and takes its geographical position into account" (see British White Paper, Cmd. 2525 of 1925, No. 1, Annex F).

⁴ See document No. 323.

I learn from well informed quarters that, during the Cabinet meeting at which the attitude in principle of the Austrian Government to the problem of sanctions was to be determined, Baron Berger succeeded in getting his idea of an *unambiguous and explicitly pro-Italian policy* accepted, in spite of opposition on the part of individual members of the Cabinet.

When, on October 1, the Foreign Minister sent me the information⁵—in a surprisingly hasty manner—that the Austrian Government were now prepared to negotiate with me on the settlement of several points (the press, questions concerning the display of flags, *émigré* problem etc.), the Italian conflict was obviously being viewed in an extremely pessimistic light. It would not be wrong to assume that during this Cabinet meeting a section of the members of the Government advocated a reconciliation with Germany. It is said that Prince Starhemberg had not wished to take any decision but that the Foreign Minister, under the influence of the many conversations which he had had in Geneva, convinced the Cabinet that it would be best for Austria to continue to orientate her policy clearly towards Italy and France.

The text of the statement made by the Austrian League of Nations Delegate in the Assembly proves that the above information is correct. For if Austria had been merely concerned to safeguard her justified economic interests, she could, like Hungary, have made a purely academic statement. The phrase about the never-to-be-forgotten gratitude to Italy, who had saved the life of the Austrian State at a fateful moment, was so entirely out of place that it can only be described as a demonstration against a German-Austrian settlement [*Interessenausgleich*] such as Rome and Paris fear.

In view of this altered situation, I have refrained for the time being from any discussion of possibilities of a settlement such as Baron Berger requested on October 1. I am convinced that the picture will very soon change and that the gentlemen will make renewed overtures to us.⁶

The Austrian press reports with satisfaction the applause with which this Geneva statement was greeted in the Italian and French press. They do not seem fully to have realized how dangerous for Austria is the game of crippling the much-loved and oft-praised League of Nations, the “guarantor of Austria’s independence”, in a case where it is inconvenient to submit to its decisions. Collective

⁵ See document No. 319.

⁶ In the memorandum cited in footnote 2 above, Papen recorded that, although he had raised the question of the proposals he had made during the summer, stating that he had been authorized to negotiate (see document No. 335) on the points listed in the two drafts (see documents Nos. 203 and 319), Berger had evaded the issue by changing the subject to that of a recent incident.

security for Austria is very much to be treasured; but this doctrine does not apply to Abyssinia.⁷

PAPEN

⁷ Marginal notes: "[For the] F[oreign] M[inister]. ([See] p. 2 [i.e., line 15 to line 36 of the present document]) K[öpke], Oct. 12." "v. N[eurath], Oct. 14."

No. 350

8023/E577422-28

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 194 of October 11

ROME, October 12, 1935—12:55 a.m.

Received October 12—8:20 a.m.

III O 4720.

1) Today I made the *démarche* (foreshadowed in my telegram No. 188 of October 9)¹ with Suvich about the air bombardment of Addis Ababa and Diredawa. Suvich replied that he had already drawn the attention of the military authorities to the presence of European colonies in both places.

2) In the conversation which followed about the political and military situation, Suvich, replying to a remark I made about yesterday's article by Gayda,² said it represented nothing new or sensational. Italy had always been ready to negotiate; by contrast, he could see no such readiness on the other side to negotiate on a reasonable basis and therefore, at the moment, no possibility of negotiations. When I asked what he regarded as an acceptable basis, he reverted to the remarks which Mussolini had made to me³ to the effect that the purely Abyssinian central provinces of Tigre, Amhara, Godjan and Sehoa should remain independent under the League of Nations but the rest should become an Italian mandate. In answer to my question whether the common frontier between Abyssinia and the Sudan would then remain, he said it would not, but described it as a subject for negotiation and altogether gave me the impression that Italy was willing to discuss its demarcation. Tigre, however, was now largely occupied by the Italians and must therefore to a considerable extent be claimed by Italy. Suvich added that he did not believe the Ethiopian kingdom would hold together, and today's surrender of the son-in-law of Ras Tafari⁴ was significant in this respect; on the

¹ Not printed (8015/E576199); in this Hassell stated that, in view of the instructions received by some of the other Missions in Rome, he proposed to make use of the authorization, contained in telegram No. 208 of Oct. 8 (M255/M010960), to draw the attention of the Italian Government to the special position of the towns of Addis Ababa and Diredawa, which were unfortified and contained numerous foreigners.

² In the *Giornale d'Italia* of Oct. 10, 1935.

³ See document No. 322.

⁴ i.e., the Emperor Haile Selassie; his son-in-law, Ras Gugsa, was stated in an official Italian communiqué of Oct. 11 to have surrendered to the Italians.

Somali border, too, large-scale defections by the natives to the Italian side were expected. From what Suvich said about the progress of military operations it was apparent that a step-by-step advance with repeated halts was intended, not only for military but also for political reasons.

Suvich then stated at some length that it was becoming ever clearer how strong a contributory factor among Italy's opponents was dislike of Fascism. He said Fascism was often regarded as a guinea-pig in respect of possible similar action against National Socialism. Three motives were determining the anti-Italian policy: League of Nations ideology, anti-Fascism, and British imperialism. The last-named, too, envisaged Italy as its opponent today and Germany tomorrow.

Suvich then said that Britain was being extremely active *vis-à-vis* the United States and obviously *vis-à-vis* Japan as well, with a view to obtaining direct or indirect support for sanctions, and asked whether, as was widely asserted, we had already been approached by Britain too. I replied that I knew nothing of this.

HASSELL

No. 351

8016/E576573

The Acting State Secretary to the Foreign and War Economy Departments of the Reich War Ministry, the Reich and Prussian Ministry of Economics and the Reich Finance Ministry

STRICTLY CONFIDENTIAL

BERLIN, October 12, 1935.

IMMEDIATE

e.o. III O 4716.

With reference to the recent inter-departmental conference¹ in the Foreign Ministry regarding a German ban on the export of arms, ammunition and war materials to Italy and Abyssinia, I have the honour to state that the Führer and Chancellor, after hearing the views of the Foreign Minister, Freiherr von Neurath, has decided that for the present no declaration of neutrality of the kind discussed in the inter-departmental conference shall be made.²

KÖPKE

¹ No record of this conference has been found. In a letter to the Foreign Ministry of Oct. 10 (5560/E396447) State Secretary Posse made reference to a conference in the Foreign Ministry on Oct. 9 and stated, on behalf of the Reich Ministry of Economics, that if political reasons made an embargo on the export of arms to Italy and Abyssinia unavoidable, he would not oppose it on economic grounds.

² The latest (8016/E576576) of several (5560/E396428-29, E396433) drafts of an unpublished "Announcement of the Reich Government" reads: "In view of the situation that has arisen as a result of the development of the conflict between Italy and Abyssinia, the Reich Government reaffirm their decision not to let themselves be drawn into events that do not concern Germany. As an expression of this intention the Reich Government prohibit the export of arms, ammunition and war material to Italy and Abyssinia. This export prohibition is being promulgated today, together with a law on the export and import of war material and the publication of the list of war material." This bears the following marginal note: "The Reich Chancellor does not now wish to make the proposed declaration of neutrality. v. N[eurath], Oct. 11." For the position on the Law on the Export and Import of War Material see document No. 279 and footnote 5 thereto.

No. 352

2784/540429-30

Memorandum by the Foreign Minister

BERLIN, October 12, 1935.

RM 765.

During his visit today, the Italian Ambassador came to speak of Germany's attitude to the Abyssinian-Italian conflict. I told him that the German attitude was unchanged, i.e., that we were not concerned in this quarrel and were therefore adhering to strict neutrality. The Ambassador then wanted to know how we interpreted the concept of neutrality and, especially, whether we would also ban all trade with the belligerent countries. I explained that in our view only the export of war material to the belligerent countries came under the obligations of neutrality.

Signor Attolico then asked whether we were not willing to make a public statement to this effect. I replied that we considered this unnecessary.¹ The question of a statement of our attitude to the belligerent countries would arise only if we were requested to take part in sanctions. Should that be the case, we would consider whether a public announcement of our attitude would be useful.

I took the opportunity of giving Signor Attolico my personal opinion about Italy's procedure in the Abyssinian conflict and, in particular, of pointing out that it seemed to me to be in the interests of Italy not to push matters to extremes but to liquidate the Abyssinian undertaking as soon as possible by means of a suitable compromise. Signor Attolico, who, like many of his countrymen, does not seem to approve of Mussolini's actions, seized particularly on this remark and said to me that he would immediately report it to Mussolini by telegram. I replied that I had no objection, since the Duce knew me well enough² to understand my expression of opinion.

v. N[EURATH]

¹ See also document No. 351.

² Neurath had been Ambassador in Italy, 1922-1930.

No. 353

9590/E676179-82

The Chargé d'Affaires in Rumania to the Foreign Ministry

3094—I A 4

BUCHAREST, October 15, 1935.

Received October 18.

II Balk. 2514 R.

POLITICAL REPORT

Subject: Rumania's relations with Russia.

With reference to your telegram No. 104 of October 8¹ and my report No. 2950 of September 29, 1935.²

Colonel Tschunke, the Military Attaché, has himself had no opportunity of acting on the instructions contained in your telegram No. 104; he caused the matter to be brought to King Carol's notice by Prince Friedrich von Hohenzollern,³ who also attended the manœuvres as the King's guest and has received the reply that the King was still fundamentally opposed to any assistance pact with Soviet Russia.

As already reported by telegram,⁴ the Polish Ambassador here received a similar reply from the King when, on instructions from his Government, he set forth at length the objectives of Polish foreign policy and urged that nothing should be done which would be incompatible with the Polish-Rumanian Alliance.⁵

The manner in which he retailed this conversation revealed to me that in speaking to the King he had dissociated himself from Germany and appeared to have stressed how independent of Germany Poland still remained.

Owing, very largely, to his very appealing canvassing among leading politicians and journalists, many voices in Rumania have been raised in warning during the last fortnight against any collaboration

¹ Document No. 339.

² Not printed (9590/E676146-50).

³ Prince Friedrich Viktor von Hohenzollern-Sigmaringen, a cousin of King Carol. The War Ministry informed the Foreign Ministry on Oct. 28 (9588/E675850) that the War Minister approved the Military Attaché's suggestion (contained in his report of Oct. 17, 5888/E431712-16) of making use of Prince Friedrich in Rumanian affairs. Busse minuted to Köpke on Nov. 2 (9588/E675851-52) on this as follows: "(1) The Foreign Ministry too had already some months ago thought it useful to accept the Prince of Hohenzollern's offer in suggesting that he should, 'when occasion arose, if he could be given appropriate guidance, speak to his cousin with a view to influencing him in favour of Reich German interests'. (Letter from Freiherr von Stein in Prague of July 11, 1935 [9588/E675831-32], to Herr von Renthe-Fink and the latter's reply of Aug. 27, 1935 [9588/E675833-35], as approved by the St[ate] S[ecretary], II Balk. 2029 R.) At that time it was also proposed to cause the Prince to use his influence with King Carol in our favour precisely in the Rumanian-Russian pact question. Accordingly, depending on how things stand, we shall be able to avail ourselves of the Prince's services, if required, in future too. (2) It does not appear advisable to communicate our views in writing to the War Ministry; it will suffice to inform Herr Scheller orally when opportunity offers. Therefore to be filed for the time being."

⁴ Telegram No. 120 of Oct. 8 (not printed, 9590/E676143).

⁵ See document No. 175, footnote 4.

with Soviet Russia. The most outspoken among them was the younger Brătianu (Gheorghe)⁶ who is making an interpellation in parliament (attached as enclosure 1)⁶, which cannot, however, be dealt with for the moment as parliament does not meet until November 15. Vaida,⁷ Goga,⁸ Cuza⁹ and even Iorga¹⁰ have similarly—more or less clearly—opposed the Russian pact. In the bosom of the Liberal Party, too, aversion to the pact is said to have increased. These voices, however, have been drowned in a noisy press campaign against both Poland and Germany.

As far as it affected Germany, this campaign was very transparent. With the aid of the Führer's anti-Russian speeches at Nuremberg,¹¹ our Memel propaganda [*Agitation*], the Gömbös visit to Berlin¹² and some quite fantastic reports about a plan, which Herr von Papen is alleged to have thought up at Schloss Fischhorn,¹³ for the "Hitlerization" of Austria, "the German menace" was served up anew, and efforts made to invalidate our warnings against alliances with Bolshevism by pointing out that there was today no longer any direct danger from Russia, whereas, at a time when Moscow was still directly striving for world revolution, it was precisely Germany who backed up Russia through the Treaty of Rapallo¹⁴ and by seconding German officers.

The campaign against Poland was not quite so simple. The fact that, in the familiar article in the *Kurier Pozanny* [*sic: Kurjer Poranny*] of September 30, the Polish news service bluntly described Titulescu as the instigator of the talk about a German-Polish-Hungarian air agreement, and even made this accusation in the *Journal de Genève*, has from the outset lent the quarrel a note of personal animosity which perhaps explains why some of the newspapers here, which are otherwise close to the Government (*Universul, Indépendance Roumaine*), completely overshot the mark when they branded Poland's foreign policy as disingenuous or stigmatized her Constitution as an absurd tyranny.

But it was precisely such exaggerations which finally resulted in strengthening the bonds between these two, after all still allied, nations. For, just as the Rumanian attacks on Poland were designed to remind her that she too might one day find herself deserted and

⁶ Leader of a dissident group of the Rumanian Liberal Party. Enclosure 1 is not printed (9590/E676184).

⁷ Alexandru Vaida Voevod, a leader of the National Peasant Party.

⁸ Octavian Goga, a Transylvanian and leader of the National Agrarian Party.

⁹ Prof. A. C. Cuza, leader of the anti-semitic National Christian Defence League.

¹⁰ Prof. N. Iorga, historian, former Minister President and leader of an independent party.

¹¹ On Sept. 15, in addition to the topic of Memel (see Editors' Note, p. 632), Hitler had addressed himself to the menace represented by the Comintern and Bolshevism.

¹² See documents Nos. 309 and 318.

¹³ The reference is uncertain, but see document No. 335, footnote 3.

¹⁴ For the German-Russian Agreement signed at Rapallo on Apr. 16, 1922, see League of Nations: *Treaty Series*, vol. XIX, pp. 247-252.

forced to turn to Germany, they also served to give many thinking Rumanians a jolt and to show them how near they had already come to a break with their traditional partner in the North.

Both States are equally interested in continuing as long as they can with their present game of having two irons in the fire, so that, strengthened by leaning upon each other, they may appear stronger and more independent towards their new partners, Germany and Soviet Russia respectively. Both countries have an interest in postponing as long as possible the decisive step which would finally drive them apart into two different camps.

Titulescu is in favour of the pact with Russia, even at the sacrifice of the Polish Alliance, partly because he considers a Hungarian *revanche* as a more direct and greater danger than the Bolshevik world revolution, and partly because he believes Rumania to be militarily so weak that even in alliance with Poland she would not be able to defend herself against Russia—at any rate as long as Germany's rearmament has not reached that point where she too could join in deploying troops on the Pruth.

The King, who is undoubtedly also aware of the weakness of his own army, but who still hopes to overcome it, is more conscious of the internal danger involved in the pact with Russia—not least, that to his own throne—and does not therefore wish to burn his bridges with anti-Bolshevist States like Poland and Germany, particularly as he probably has secret hopes (a result, perhaps, of his conversation with General Göring in Belgrade?)¹⁵ that ultimately Germany, in her own vital interests, will be compelled to curb Hungarian revisionism.

Rumanian foreign policy is having to steer a course between these two danger spots, with Russia and Czechoslovakia using every conceivable means to bring about an orientation towards Russia, France—as far as can be seen from here—pursuing a waiting policy, and those Rumanians who wish to oppose Russia looking questioningly towards Germany.

POCHHAMMER

Postscript

The [Rumanian] Foreign Ministry have just issued the *démenti* attached as enclosure 2.¹⁶ It was elicited by repeated enquiries from political and parliamentary circles as to whether there is anything in the pact negotiations between Rumania and Russia. The only real value which might be ascribed to the *démenti* lies in the indication that the King's influence has for the present once again frustrated Titulescu's policy.

¹⁵ See document No. 339, footnote 1.

¹⁶ Not printed (9590/E676183).

No. 354

8020/E577246-47

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 200 of October 17

ROME, October 17, 1935—7:40 p.m.

Received October 17—11:25 p.m.

III O 4902.

For the Foreign Minister personally.

The situation continues to be judged pessimistically here also, i.e., the Italians still believe that the British will do their utmost to prevent an Italian success and, if need be, will not shrink from a blockade and military sanctions. Italy is therefore concerned with the problem of how, without showing weakness, she can prove herself ready to compromise. The British Ambassador¹ here emphatically disputes that Britain is in any way contemplating military sanctions or a blockade either, this last being excluded if only because of the effects on the United States, Japan and others; on the other hand, Britain will make collective economic sanctions effective by all means. He expressed the view that there were no signs of Mussolini being genuinely ready to yield.

Aloisi spoke to me very bitterly today about the League of Nations, which was turning out to be a mere instrument of imperialism. I interposed that we had been sufficiently aware of that. He said that Beneš had been completely partisan as President,² and that he, Aloisi, had indeed clearly told him so. The game played by Litvinov and his comrades was transparent. For, next to British imperialism, anti-Fascism was the most important determining factor. The present struggle was, Aloisi said, a dress rehearsal for that against National Socialism—a common argument here, and I made appropriate remarks about exaggerating its significance. Aloisi thought that if economic sanctions did not prove effective within a short time, Britain would also resort to a blockade. This would lead to war, which indeed, even if Britain did not want it, would then almost inevitably come about through some incident. Nevertheless, he did not yet give up hope of a compromise, although hardly before the British elections.³ Reports in the press about proposals by Laval⁴ were not accurate, but Paris was now working on drawing up proposals. Further, it was to be feared that even a compromise, should

¹ Sir Eric Drummond.

² Beneš was President of the Assembly of the League of Nations during its sixteenth session.

³ A general election was due to be held in Great Britain on Nov. 14, 1935.

⁴ On Oct. 14 Laval saw first the Italian and then the British Ambassadors in Paris, following which he was credited in certain reports with having submitted a detailed plan of settlement to Italy and Britain.

it be reached, would only postpone a serious conflict. He further emphasized that it was essential for a radical reform of the League of Nations to be taken in hand at the first suitable moment. I hear that the British are supposed to be also entertaining this latter notion, although, of course, for different purposes.

HASSELL

No. 355

8017/E576973-79

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 210

LONDON, October 17, 1935.

Received October 18—11:15 a.m.

III O 4891.

I had lengthy discussions today with Sir Samuel Hoare and Sir Robert Vansittart, whilst Bismarck had conversations with Vansittart's Private Secretary, Norton, and with Craigie.

The Foreign Secretary gave me a detailed exposition of British policy and its motives. He stated that British public opinion, with a unanimity which had surprised even the British Government, had ranged itself behind the idea of collective security and of opposing on League of Nations principles an unprovoked attack. The Trade Unions, the Labour Party, the Church, Radicalism, Liberalism and Conservative circles, all except a small wing of extremists, were demanding, out of profound conviction, the honourable execution of the provisions of the League of Nations. The British Government were carrying out the policy of the people's will.

But the maxim of loyalty to League of Nations principles also resulted, both for public opinion and Government, in the rejection of any attempt to adapt the application of the provisions of the League to inclination and interest at any given time (selected application).¹ It was, of course, obvious that France was advocating such a "selected application",¹ and British public opinion was refusing to follow France in her attempt to turn the League into a union of States directed one-sidedly (that is to say directed against Germany). In this respect, too, the British Government were carrying out the people's will by insisting on the clear application of the League provisions in the present case of aggression.

British policy, he said, was frequently misunderstood abroad, partly through ill-will and partly through ignorance. Britain had no sympathy for Abyssinia, from whose occasional encroachments she had suffered as much as Italy. She also had no essential interests in

¹ The words "selected application" are in English in the original.

Abyssinia itself, apart from the sources of the Nile; these were not endangered, and Mussolini was repeatedly offering special protection for them.

In the German press, too, British policy had at various times been incorrectly discussed. For the information of the Reich Government, therefore, he wished to emphasize the following three points:

1) The British Government were not pursuing any imperialist aims through their League policy. Were such aims the only concern, they could be safeguarded then and there without action by the League. That Mussolini in his propaganda had spoken grandiloquently of the coming Roman Empire and its further extension in the future, had undoubtedly made a somewhat unfavourable impression on British public opinion, but this could in no way alarm the British Government since they knew that Italy was quite incapable of carrying out such a programme, and since they also knew that Mussolini was not really deluded by such Utopias. British policy was solely dictated by the desire to avoid having the international system for securing peace finally collapse owing to a failure to employ the provisions of the League, and anarchy taking its place.

2) Britain had not the slightest thought of war with Italy; rather would she act only within the League of Nations framework and in accordance with the League resolutions. Her aim was still that of reaching a peaceful solution.

3) The British Government were in no way endeavouring to accomplish Mussolini's downfall and were not being influenced by that hostility towards Fascism often wrongfully attributed to them. Although there were undoubtedly anti-Fascist trends among the workers, they were quite alien to the Conservative Party, and the Government fundamentally adhered to the point of view that every country was completely free to choose its own régime. He himself, as an old Conservative, felt no antipathy at all towards foreign authoritarian governments and was fully aware of the dangers, in the form of revolution and chaos, that might result from a possible change in Italy's internal political situation. It was obvious that the Foreign Secretary attached particular importance to this point. From what Vansittart, Norton and Craigie said, it transpired that offence has been given here by a report by the Rome correspondent of the *Deutsche Allgemeine Zeitung*, in which the correspondent gave a drastically worded account of the Italian view of British actions and emphasized, in this connection, that Britain's aim was the struggle against Fascism.

I then explained that the familiar French reply² to the British enquiry about naval cooperation in the event of an Italian attack on the British fleet had caused much ill-feeling in Germany. I pointed

² See document No. 321, footnote 6.

out that the French assumption involved the destruction of the equilibrium of the Treaty of Locarno to Germany's disadvantage; this we would naturally not be able to accept. I said the same thing to Vansittart. Sir Samuel stated that no reply had so far been made to this French assumption. Should a reply be made, he could assure me already now that it need cause us no anxiety. Vansittart also observed that the French counter-question would probably not be answered at all. But if a reply were made it would at most be stated that the matter was out of date, since the obligation of support under Article 16, paragraph 3, was now in force;³ moreover, the French counter-question must be reserved for a general settlement within the framework of the League of Nations.

I then asked the Foreign Secretary what [truth] there was in the well-known, very recent news concerning alleged new French or Italian proposals for a solution.⁴ Sir Samuel replied that there were undoubtedly a large number of vague ideas in the air but that there had been no real proposals. He had tried, both directly, as also within the framework of the various League Committees, to cause acceptable proposals to be conveyed to Mussolini, but these had regularly been rejected out of hand. At present, therefore, he saw no occasion to make new proposals. Rather must this now be left to Mussolini, who indeed still showed no inclination to make such proposals. When I asked whether any proposals by Mussolini would have to be addressed to the League of Nations or whether the British Government would also be willing to receive them, the Foreign Secretary replied that he would be prepared to receive and study any Italian proposal, on condition, however, that full deliberation on it must be reserved for the League of Nations.

The Foreign Secretary, who, incidentally, gave the impression of being self-confident and untroubled, obviously wished in this our first conversation after my return from leave to give the Reich Government a clear picture of British policy in the hope that German public opinion too would be informed about its guiding principles through the press. Germany's attitude to possible sanctions resolutions was not touched upon, nor were the problems of the Eastern Pact, the Danubian Pact and the Air Pact.

In my conversation with Vansittart, which was essentially on the same lines, it was particularly noteworthy how bluntly he condemned French endeavours to obtain "selected application"¹ of the provisions of the League. He observed that the application of higher principles for the general safeguarding of peace, which British public opinion and the British Government desired, was being opposed by the French who wished to apply the provisions of the Covenant in an

³ See document No. 334 and footnote 5 thereto.

⁴ See document No. 354, footnote 4.

opportunist manner, on the basis of their inclination and the circumstances of the case, and that this represented a contradiction in principle to the general approach which called for clarification. Sir Samuel Hoare was expressing the same view in an abstract form when he said that Britain, when pursuing an idea, as in the present case, found it easy to agree with America, just as he also knew that the German nation had understanding for ideals. The Latins were quite lacking in this feeling, as was apparent if only from the complete lack of understanding which British policy was encountering in Italy and also, unfortunately, in France.

As regards the most recent development in the Anglo-French conversations, Norton told Bismarck that in answer to the British Ambassador's enquiry⁵ whether the French Government were now prepared, in accordance with Article 16, paragraph 3, to lend support in the event of an Italian attack on the British fleet, Laval had avoided going into the question and had replied that the prevailing tension would be considerably relaxed if British forces in the Mediterranean were to be reduced. Since, therefore, no clear French answer had been given to the [British] enquiry, the Ambassador had yesterday in his conversation with Laval again put the question in a clear form and had left an *aide-mémoire*. Norton assumed that the French answer would be given only in the course of next week. France is therefore now faced with the necessity of deciding what her attitude shall be; a decision which Vansittart described as being possibly decisive for the future of the League of Nations and the status of Europe.⁶

HOESCH

⁵ For details of the British enquiry put to the French Government on Oct. 14, 1935, and the French reply on Oct. 18, see the Memorandum transmitted by the British Foreign Secretary to the Chairman of the [League] Coordination Committee, Jan. 27, 1936 (published in British White Paper, Cmd. 5072 of 1936: *Dispute between Ethiopia and Italy*, No. 1).

⁶ Marginal notes: (i) "Immediate, [for the] Reich Chancellor. v. Neurath, Oct. 18." (ii) "Respectfully submitted to the Führer and Chancellor. Lammers, Oct. 18." (iii) "The Chancellor is informed. Lammers, Oct. 23." The text of the document here printed was transmitted to the Embassies in Paris, Rome, Moscow, Washington and Tokyo and to the Consulate at Geneva by telegrams of Oct. 18 (8017/E576980-86), and by a circular of Oct. 19 to other Missions (8017/E576987).

No. 356

8967/E629450-60

*The Foreign Minister to the Embassies in Great Britain, France
and Italy*By Air Mail *en clair*

BERLIN, October 17, 1935.

e.o. IV Rd. 4700.

German Embassy in

(1) London

(2) Paris

(3) Rome

For 1-3.

With reference to previous Embassy *démarches*,¹ you should, as early as possible, personally bring to the notice of the Foreign Ministry where you are accredited the situation created by the elections in the Memel Territory, in the sense indicated below.

In the elections for the Memel Landtag, the population of the Memel Territory, with 91.6 per cent of the electorate polling, decided by 81.17 per cent in favour of the Memelland *Einheitsliste*.² It has thus declared, by an overwhelming majority, in favour of the unconditional maintenance of the political, cultural and economic independence guaranteed by the Memel Statute, and against the Lithuanian Government's Lithuanianization policy. This applies in precisely the same degree both to the urban and to the agrarian population.

The result of the election appears even more significant when regarded in the light of how matters have developed in the Memel Territory in the last few years.

As will be remembered, the Lithuanian Government have, since the Memel Statute came into force, made an almost innumerable series of attacks on autonomy. The trend of Lithuanian policy is sufficiently revealed, amongst other things, by the argument, put forward by the Lithuanian authorities before the Hague International Court,³ that autonomy was a transitional stage prior to the Memel Territory being fully Lithuanianized.

The Landtag elections of May 4, 1932, in which the Memelland parties obtained twenty-four of the twenty-nine seats, at first some-

¹ Instructions for *démarches* with the Signatory Powers protesting about various aspects of the organization of the forthcoming elections had been sent to the Embassies in London, Paris and Rome on Sept. 13 (8967/E629196-203) and on Sept. 26 (8967/E629241-45). See also document No. 305, footnote 8.

² The combined "electoral list" of the pro-German parties, with the exception of the Social Democrats. For an account of the formation and political aims of this party see *Survey of International Affairs, 1935* (London, 1936), vol. 1, pp. 258-259.

³ See vol. III of this Series, document No. 67 and footnote 4 thereto.

what impeded the activities of the Lithuanian Government. Their attacks on autonomy, however, were soon resumed with increasing certainty of aim and vigour; they directed their campaign chiefly against the main pillars of Memel's autonomy, the Directorate and the Landtag. The climax was reached when, on July 28, 1934, the Directorate of Schreiber, which enjoyed the full confidence of an overwhelming majority of the Memelland population, was forcibly dismissed by the Lithuanian Governor on grounds of, unproven, allegations and was replaced by the unconstitutional Lithuanian Directorate of Reisgys and later of Bruvelaitis. In this connection it will be recalled that, since the Memel Statute came into force, only two of the fifteen Directorates have enjoyed the confidence of the Landtag as the Constitution requires.

The Lithuanian Government's campaign was then directed against the Memel Landtag. As is known, the Landtag was, for the whole of the remainder of its period in office, which ran until May 1935, artificially deprived of competence to pass resolutions, in order to prevent the possibility of its passing a formally valid vote of no confidence in the unconstitutional Lithuanian Directorate.

While it was by the appointment of unconstitutional Directorates and by paralysing the Landtag that the parliamentary basis of the Memel Statute was abolished, on the other hand, autonomy was *de facto* undermined by a series of legal and other measures taken by the Lithuanian Government and unconstitutional Lithuanian Directorates. It should be recalled that since 1926 there has existed a state of war⁴ during which the right of association, the right of assembly and the freedom of the press guaranteed within the Memel Territory have been suspended, and which has been used by the War Commandants unilaterally against the Memelland majority of the population; further, there should be borne in mind the Lithuanian Judicial Organization Law of July 11, 1933, which limited judicial supremacy in the Memelland in the most vital issues, the Law for the Protection of the Lithuanian State,⁵ dated February 8, 1934, under which any active support for autonomy could be regarded as a criminal act, the machinery, introduced by the Governor in the same year, for supervising the school system, whereby the Memelland autonomy in the schools was abolished, and yet other Lithuanian measures of an illegal nature in the sphere of the legislature and the executive.⁶ It is also widely known what part the illegal Lithuanian

⁴ The reference is to the proclamation of martial law in Lithuania in December 1926 in consequence of Voldemaras' *coup d'état*; this was subsequently extended to the Memel Territory; see I. F. D. Morrow: *The Peace Settlement in the German-Polish Borderlands* (London, 1936), pp. 448-449.

⁵ i.e., the Law for the Protection of People and State; see vol. II of this Series, document No. 348.

⁶ See also vol. III of this Series, document No. 67.

Directorates played in Lithuanianizing the Memelland administration and how they introduced, against the will of the Memelland population, into all spheres of political, economic and cultural life, a series of measures which contributed to a state of affairs where, instead of the rights guaranteed under the Memel Statute, there prevailed a disturbing and intolerable state of injustice and despotism.

These were the handicaps under which the Memelland *Einheitsliste* laboured both in preparing for the elections and at the elections themselves. The regulations made it impossible for the *Einheitsliste* to make any preparations for the elections. The elections themselves were conducted in the most unfavourable way imaginable for the Memelland *Einheitsliste*. The electoral machinery was predominantly in Lithuanian hands. The chairmen of all the election committees, including the Central Election Committee, were Lithuanians. The voting system introduced by the Lithuanians for the elections was deliberately designed to put the population who loyally supported autonomy at a disadvantage, and to confuse and hinder them in their voting. The Memellanders repeatedly stressed that the electoral system was impossible. The result of the election itself has convinced public opinion the world over of the justness of the opinion of Lithuanian methods held by all Memellanders who are loyal to autonomy.

The various formal contraventions of the law to which the population adhering to autonomy were rendered liable at the election, the Lithuanians' numerous offences against those voting for the *Einheitsliste*, Lithuanian interference with the freedom of choice, and the established cases of Lithuanian attempts to falsify the election results, are familiar to the representatives of the Signatory Powers⁷ and to the foreign journalists present at the election.

It was due to the influence exerted by the Signatory Powers on Lithuania that, although the electoral system, which has since been generally recognized as impossible, was not altered as such, a few technical improvements were at least made in administering the electoral machinery, thus removing various grounds for complaint by the voters for the *Einheitsliste*. Due to this intervention and to the presence at the elections of official representatives of the Signatory Powers, which acted as a check, as well as to the activity of numerous foreign newspapermen, the most flagrant Lithuanian attempts at influencing the elections were thwarted. These improvements, however, do not amount to much when viewed as part of the general picture described above, which was so unfavourable to the Memel population who were loyal to autonomy.

It is all the more significant that the Memelland population,

⁷ T. H. Preston, British Chargé d'Affaires in Kovno, P. Neyrac, French Chargé d'Affaires in Kovno and C. de Lieto, Italian Consul General in Danzig.

despite the arbitrary administration by Lithuania, and despite all Lithuanian chicanery at the elections, proclaimed afresh, with unexampled discipline and patience and by an overwhelming majority, the German character of the Memel Territory and the firm determination of its inhabitants to support Memelland autonomy. They have thereby unequivocally rejected the Lithuanian Government's forcible methods and their attempts to Lithuanianize the Memel Territory against the will of the population.

In these circumstances, and in view of the clear results of the elections, there is only one way to ease the situation in the Memel Territory and to reassure the population, who are defending themselves tenaciously and obstinately against oppression, and that is for the Lithuanian Government radically to alter their previous illegal course, which was contrary to the will of the people. It rests with the Lithuanian Government alone to abolish a situation which is intolerable for Europe because of the constant tension which it creates. This cannot be done by sham concessions; the measures taken by the Lithuanian Government contrary to the will of the population and in contravention of the Statute must be genuinely abolished, and in future the internationally guaranteed Memel Statute must be observed by Lithuania in accordance with the clear will of the population. Only in this manner can the way be paved for healthy relations between the Memelland population and the Lithuanian authorities and thus for a *détente* in relations between Germany and Lithuania.

Should it appear appropriate in the course of the conversation, you should communicate to the Government to which you are accredited a memorandum on the main points of the above statements.

To (1): You should inform the British Government orally as follows:

We have noted with satisfaction the action taken by the British Government *vis-à-vis* Lithuania before the elections, as also the behaviour of Preston, the British Chargé d'Affaires in Kovno, during the Memel elections; we believe that the British Government, by reason of their strong position in Europe, are specially qualified persistently to urge the Lithuanian Government fully to restore the Memel Statute.

In this connection you should stress the great responsibility of the Signatory Powers for the maintenance of the Memel Statute. [Since the Lithuanian Government, before the elections, gave the Signatory Powers formal promises regarding the formation of the Directorate and a "normal functioning" of the Statute after the elections were over, we must expect, now that the people of Memel have so clearly declared their will, the Signatory Powers to do their utmost to make the Lithuanian Government fulfil their promises. Owing to disappointments in the past we must demand that the Signatory

Powers shall not, on account of the new situation created by the elections, again accept Lithuanian excuses; for example one could cite certain statements by the Lithuanians in which they apparently wish to argue that, because the *Einheitsliste* contains certain Lithuanian-sounding names, it is not to be regarded as being purely Memelland. Nor should the Signatory Powers accept false promises or be put off with sham concessions from the Lithuanian Government; rather should they demand that the Government take account of the situation created by the elections by means of really satisfactory measures to restore the Memel Statute in spirit too. The *détente* thus effected would undoubtedly help to improve German-Lithuanian relations; this would be cordially welcomed by Germany and we should then be prepared in principle to contribute to it ourselves.]

To (2): You should stress verbally the great responsibility of the Signatory Powers for the maintenance of the Memel Statute.

Insert the passage in square brackets under (1) above.

To (3): It is left to your discretion whether to tell the Italian Government that we are extremely gratified that, despite the fact that Italy's attention is at present claimed chiefly by the Abyssinian conflict, Mussolini very kindly expressed, in his conversation of October 2,⁸ his readiness to take up the Memel question, in which we are interested.

You should particularly stress the great responsibility of the Signatory Powers for the maintenance of the Memel Statute.

Insert the passage in square brackets under (1) above.

To (1-3): The Government at your post may be informed that Germany does not propose publication in the press of the *démarche* which the Embassy has been instructed to make.

You should report by telegram on the carrying out of these instructions and on the result of your *démarche*.⁹

To (1): The German Embassies in Paris and Rome

To (2): The German Embassies in London and Rome

To (3): The German Embassies in London and Paris

To (1-3): have received similar instructions.¹⁰

NEURATH

⁸ Hassell reported to this effect in telegram No. 182 of Oct. 3 (8967/E629309); for fuller accounts of his conversation with Mussolini on that date see documents Nos. 322 and 323.

⁹ Action taken on these instructions was reported from London in telegram No. 213 of Oct. 21 (8967/E629466-67), from Rome in telegram No. 204 of Oct. 22 (8967/E629470) and from Paris in telegram No. 1102 (8967/E629488).

¹⁰ Copies were also sent, for information and guidance on language to be held, to the Embassies in Washington and Tokyo, all Missions in Europe except those referred to under (1-3), the Consulate General at Memel and the Consulate at Geneva (8967/E629460).

No. 357

6144/E459720-22

Senior Counsellor Renthe-Fink to Counsellor of Legation Stein

SECRET

BERLIN, October 17, 1935.

zu II Ts. 2063.¹

DEAR HERR VON STEIN: The question of financing the desiderata of the Sudeten German Party has meanwhile been thoroughly discussed once again² and the following picture now emerges:

1) The money for refunding election expenses which has still to be transferred, i.e., 185,000 RM, is to be placed at the disposal of the Party by the middle of November.

2) As regards the question of the extent to which additional funds are to be placed at the disposal of the Party for its development, there must, in view of the paucity of the available funds, be further discussion as to the *minimum* monthly contribution which in your view is absolutely necessary to this end. I should therefore be grateful if you would again briefly state your views on this in a further telegram, if necessary after further consultation with Herr Köllner.³ We might then perhaps ask you to come to Berlin again for the final discussion.⁴

With best wishes and

Heil Hitler!

RENTHE-FINK

¹ This was telegram No. 33 of Oct. 11 from Prague (6144/E459719) in which Stein enquired about the plan for the transfer of funds; see also document No. 320.

² In a letter dated Oct. 14 (6144/E459723-24) Renthe-Fink informed Stein that the matter was still pending and instructed him not to make any further disbursements for the time being.

³ Dr. Fritz Köllner, the Sudeten Party Deputy, whose signature appears on many of the receipts forwarded by the Legation in Prague, which are filmed on Serial 6144.

⁴ Neither a telegram in reply nor a record of a discussion in Berlin has been found in the Foreign Ministry archives, but see document No. 418.

No. 358

8015/598368-69

Memorandum by the Foreign Minister

BERLIN, October 17, 1935.

RM 783.

At yesterday's high level conference on Danzig, in which Minister President Göring, the Reich Finance Minister, the Reich Minister for Church Affairs, Kerrl, President Greiser and Gauleiter Forster took part,¹ the questions still outstanding were settled as follows:

¹ Under cover of a letter of Oct. 24 Göring transmitted to Neurath a more detailed record of this conference, from which it emerges that State Secretary Körner and Helferich also took part (6203/E468551-56).

1) The Danzig Landespolizei is to be taken over by the Reichswehr by December 1 of this year. The Foreign Ministry are to send a communication informing the Reich War Minister of this and stating that the Reichsheer should consult with General of the Air Force Göring concerning personnel questions.²

2) The Technical College in Danzig is to be maintained, as had already been decided by the Führer.³ The amount of money which it will be necessary for the Reich to transfer for this purpose is 1 million Reichsmark.

3) The Senator for Finance and the Senator for Economic Affairs are to be replaced in accordance with President Helferich's proposals.⁴

4) Minister President Göring intended yesterday evening to discuss with President of the Reichsbank Schacht (who was not at the Conference) the transfer of the amounts required to balance the Danzig budget, namely 10 million Reichsmark for the general budget and an additional 1 million Reichsmark for the Technical College. If Herr Schacht refused to promise to transfer the whole amount, the matter was to be submitted to the Führer for an immediate decision.⁵

It was unanimously agreed by all present that a firm decision must be taken immediately.⁶

V. N[EURATH]

² Neurath informed Blomberg accordingly by letter of Oct. 18 (3015/598366-67).

³ On Oct. 16 Lammers informed Göring by telegram and Neurath and Schwerin v. Krosigk by express letter (M226/M007756-57) that Hitler did not approve the proposed closing of the Danzig Technical College. A minute states that Hitler had personally informed Schacht.

⁴ Dr. J. Hoppenrath and W. Huth respectively. Proposals for their replacement had first been made by Helferich in a secret report of July 31 to Neurath (3015/598349-57), and subsequently repeated, e.g., in a report of Sept. 19 (6206/E469049-50). According to the record of the conference cited in footnote 2 above, Helferich spoke at some length on this subject during the discussion.

⁵ In his letter of Oct. 24 (see footnote 1 above) Göring stated that Schacht had declared himself willing to make available the foreign exchange required for the transfer of 11 million RM to Danzig.

⁶ A telegram from Göring to Hitler of Oct. 16 (M226/M007760) reads: "Conversation with Schacht successful. All necessary foreign exchange for Danzig, including College, approved. Finance Minister has similarly approved all payments for Danzig within the Reich. The Danzig affair is therefore settled as desired."

No. 359

Memorandum by the Foreign Minister

BERLIN, October 17, 1935.

RM 784.

The Czechoslovak Minister this morning handed me the attached *Note Verbale*¹ containing complaints about the tone taken by the German press in its reports on Czechoslovakia.

¹ Not printed (9559/E672963-75); the Foreign Ministry also replied in a *Note Verbale* dated Dec. 30 (not printed, 9559/E672980-96).

I received the *Note Verbale* with the observation that the reason for the sharper tone taken by the German press with regard to Czechoslovakia lay in the political events of recent months, particularly the Assistance Pact with the Soviet Union, the preparation of airfields for Soviet aircraft and indeed Czechoslovakia's generally hostile attitude towards Germany. I also drew the Minister's attention to the fact that the *émigrés* in Czechoslovakia were still continuing to launch the most outrageous attacks on Germany and her leaders and that no material change had occurred despite the German Legation's various *démarches* and the efforts which I knew the [Czech] Minister himself to have made.²

The Minister then also asked whether he ought perhaps to make his complaints to the Propaganda Ministry as well. I left it to his discretion to approach Herr Funk.

V. N[EURATH]

² See also document No. 128.

No. 360

8016/E576589-93

The Ambassador in Italy to the Foreign Ministry

I 724

ROME, October 17, 1935.

Received October 19.

III O 4918.

POLITICAL REPORT

Subject: Germany and the African conflict.

The question as to what attitude Germany should adopt towards the Abyssinian-Italian conflict has been unambiguously answered by German policy to the effect that we are "*non-participant*", and wish to remain so. This does not mean that we are not interested. For the Italian struggle in East Africa, which might at first appear to be a colonial matter affecting no one else, and was—in vain—to be declared such by Italy, has so many aspects, and raises so many problems, that even "*non-participant*" Germany may be confronted by contingencies, dangers, and decisions of great importance.

What are the "aspects" of the conflict, and what, in principle and briefly summarized, is the German attitude towards them?

1) The actual conflict, i.e., Italy's fight against Abyssinia, with the aim of extending her colonial possessions, is in itself a matter of indifference to Germany, and is welcome in that it diverts Italy.

2) In the conflict as a clash between British and Italian imperial interests, Germany is neutral.

3) The conflict, as raising the question of the distribution of

colonies in general, might, fundamentally, be welcome to Germany; this is not the moment, however, to follow it up with a German initiative.

4) The conflict, regarded as a clash between dynamic and static conceptions of the present political and economic world situation, is premature for us.

5) The conflict, as a crucial test of the League of Nations in its present form, permits us to hope that the League will *not* survive.

6) The conflict, as a test of strength of the Stresa Front, arouses in us a similar hope, whilst

7) as regards the close Franco-Italian cooperation in particular, we desire that it will not prove to be to Italy's advantage. Finally,

8) The conflict as a means of destroying Fascism (and perhaps later on, National Socialism), or at least of dealing it a heavy blow, leads us to desire that Fascism will stand its ground.

If we extract from all this its essential import for Germany, we find that what is at present *favourable* is that:

The African dispute is diverting the main thrust of Italian policy away from Austria to the Red Sea;

It has shaken the Stresa Front very soon after its formation;

It is imposing a strain on Franco-Italian friendship which we cannot yet foresee whether it will survive;

Finally, world attention is being diverted from us at a moment when it is particularly necessary for us to engage in the work of expansion [*Aufbauarbeit*] undisturbed.

These favourable circumstances should not be allowed to delude us over the fact that, regardless of whether the Anglo-Italian conflict is decided by politico-economic or military means and of what the final solution in Africa may be, there may arise certain dangers to ourselves of which we should do well not to lose sight.

From the way things have developed so far, *one* danger, namely that of a complete success for Italy which would increase her Great Power megalomania in Central Europe too, will be considered slight. The other extreme, an Italian defeat, is indeed more probable; no words need be wasted about its unfavourable effects (unfavourable for us, too) which might consist in the elimination of a factor important to us in Europe, in the destruction of a system akin to ours and in Italy's sinking into complete vassalage to France. But in the case of what is perhaps a more likely outcome, namely a meagre (or perhaps not so meagre) compromise for Italy, we should have reason to be on our guard. Particularly if Italy, with the help of France, were to some extent to succeed in saving her face, a very possible result would be increased dependence on Paris and at the same time a

resumption of the thrust towards the Brenner on the basis of a Franco-Italian agreement over the Danubian region.

At the moment sanctions take pride of place among the political questions of the day. The pitfalls which the problem holds for Germany, too, are obvious. On the other hand, it may afford us an opportunity of making our weight felt. Though it may be true that our own political interests must lead us to take a basically negative attitude towards League of Nations sanctions, it is nevertheless obvious to everyone that such an attitude might cause us considerable difficulty. To this extent even Italy must admit that our non-participation in sanctions, i.e., conduct which may be of vital importance to Italy, means that we would be doing Italy a definite service. The question arises whether we can profit by this state of affairs, and it is not difficult to see such a possibility in the Austrian question, that is to say, to obtain from Italy a guarantee of non-interference in the internal affairs of Austria under *all* circumstances, such as we ourselves have often enough proclaimed, and that without a Danubian pact. It would surely be only natural if Germany, in a situation like this, were not to neglect a problem which has not only impaired our relations with Italy to date but must necessarily also continue to affect them adversely in future.

Another question—which I would still venture to answer in the negative at the present time—is whether the international situation has yet gone far enough for us to be able to take this question up with Italy without risk. The following must be taken into consideration in this connection: Concerned to an extreme degree lest French support be lost, the Italians are now directing all their efforts at keeping Paris up to scratch. Characteristic of this is the article by the well-known foreign policy expert, Senator, and *Accademico d'Italia* [Member of the Italian Academy], Francesco Coppola, which appeared in the *Gazzetta del Popolo* of October 15; in a positively pleading tone he warns France against unreliable Britain and offers her a military alliance—an alliance whereby, should the *casus foederis* arise for France (this could naturally be none other than war with Germany), three million Italian soldiers would automatically wage war alongside French troops. Apart from this, I have also reason to suppose that, in the highly charged and nervous atmosphere of the present time, such considerations are being seriously discussed here, and the degree of nervous strain here is shown by the emergence of the idea that nothing could rivet France more closely to Italy than a German attempt to take advantage of Italy's plight and intervene in Austrian affairs. In the present state of feverish excitement, such combinations need not be taken too seriously, but they call for prudence, particularly whilst Laval is at the helm and is trying to keep on the Italian course. Moreover, in handling the whole problem it would be

naturally of decisive importance if the attempts to bring about normal relations between Vienna and Berlin had meanwhile been successful or had prospects of being so.

I may venture to return to this subject at an appropriate moment.

HASSELL

No. 361

8023/E577459-61

The Consul at Geneva to the Foreign Ministry

Telegram

MOST URGENT

No. 119 of October 18

GENEVA, October 18, 1935—9:48 p.m.

Received October 18—11:50 p.m.

III O 4894.

It has been possible to establish the following about the proposed procedure for enquiring of non-member States as to their attitude towards the recommendation of the Sanctions Conference¹ with regard to an embargo on raw materials:

1) Walters² told me the following today in a conversation that took place on his initiative:

The Sanctions Conference will apparently adopt a resolution tomorrow to transmit to non-member States the recommendation regarding import bans on materials important for war; these are enumerated in a special "List for Non-Member States". The contents of this list, which I have procured by special means, is being forwarded separately in telegram No. 120.³ The message from the Sanctions Conference to non-member States will also express a desire (not a request) to learn the attitude of the non-member States towards making it possible to carry out this embargo on raw materials.

Since Germany will still be a member on October 19,⁴ a special procedure in respect of Germany must be adopted, for reasons of form. First, on October 19, the recommendations of the Sanctions Conference will be despatched, as has hitherto been the procedure with Germany, in the same form as that in which they are being directed to member States. (Cf. the documents C.L. 159, 163 and 164 which were

¹ The term "Sanctions Conference" as used in the German documents does not necessarily apply to the sessions of any one committee of the League of Nations; here it evidently refers to the Coordination Committee of the League of Nations, which held its first session Oct. 11-19, 1935, and set up on Oct. 11 a smaller Committee (the Committee of Eighteen) to examine details and submit proposals.

² Francis Paul Walters, Under Secretary General and Director of the Political Section of the League of Nations.

³ Not printed (8023/E577462).

⁴ Germany's membership of the League of Nations ended formally on Oct. 20; see document No. 106, footnote 7.

sent to you by air mail by the Secretary General.)⁵ In addition, however, on Monday, October 21, there will be communicated to Germany, as a non-Member State, the same enquiry as to the other non-Member States. In this way Germany is free not to answer, as hitherto, enquiries directed to her as a Member State, but can deal with the enquiry of October 21 as a non-Member State.

The desire expressed by the Sanctions Conference to learn the attitude of non-Member States may possibly be supported by separate diplomatic *démarches* in Berlin, Washington and so forth, both in order to emphasize the general importance of the enquiry and also to clarify any details as to execution and any special wishes. In addition, it is envisaged that the Sanctions Conference will later, if need be, approach the non-Member States again with regard to the application of the embargo on raw materials that has now been resolved upon.

As to what is expected of Germany's answer and of negotiations concerning this enquiry, Walters told me the following as his personal opinion, which he had formed on the basis of his detailed knowledge of the genesis of these proposals: He said it was hoped that Germany and the United States of America would adopt an attitude which would further, as far as possible, the application of the embargo on raw materials by Member States, or one which, in any case, would not decisively obstruct its efficacy, i.e., that both States would adopt a "neutral attitude". When I countered with the question of what, in this case, could be described as a "neutral attitude" in practice, Walters replied that presumably an attitude would be regarded as neutral which in practice resulted, for instance, in Germany's not supplying more of the raw materials in question to Italy than the average of the last two years.⁶ In order to obtain complete clarity, I replied (basing myself on the memorandum on the sanctions question forwarded with despatch III O 4594)⁷ that this concept of neutrality amounted, therefore, to the maintenance of normal trade with Italy, without any gain from the special situation created by the conflict, being considered proper. This Walters expressly confirmed.

Continuation follows in telegram No. 121.⁸

KRAUEL

⁵ The reference is to (a) the declaration (on mutual support) and "Proposal No. II" (financial measures) adopted by the Coordination Committee on Oct. 14; (b) the resolution adopted by the Committee on Oct. 16 (for the texts see British White Paper: *Dispute between Ethiopia and Italy*, Cmd. 5071 of 1936, pp. 42 and 44-45); (c) the third enclosure has not been indentified.

⁶ Marginal note in Dieckhoff's handwriting against this sentence: "Normal".

⁷ Not printed (8016/E576545-47); this circular of Oct. 8, transmitted to various Missions and Consulates, to certain Ministries and to the Reich Chancellery, a memorandum of Oct. 7 entitled "The position of Germany in the event of the imposition of League of Nations sanctions against Italy" (8016/E576550-65).

⁸ Document No. 364.

No. 362

9590/E676168-71

Memorandum by the Director of Department II

BERLIN, October 18, 1935.

II Balk. 2512 [R].

The Rumanian Minister called on me today at Titulescu's express desire (as he repeatedly emphasized), in order to declare to me once again most solemnly that all rumours about a Rumanian-Russian agreement giving the Russians right of military passage were false. In response to a question from me, he enlarged on this statement by saying that there was no question of an assistance pact between Rumania and Russia either. In this connection the Minister drew my attention to the official *démenti* published in the *Kölnische Zeitung* (Reich edition No. 526 of October 17),¹ which had been issued by Titulescu himself and which contained the same statements. M. Comnen informed me that Titulescu had, only quite recently, again discussed this matter with him personally over the telephone and had complained bitterly about the fact that the rumours and the talk in the German press about his alleged Russophile machinations refused to be silenced. In reply I pointed out to the Minister that these alarmist reports had all more or less got into the German press from abroad. Czechoslovakia in particular was very largely concerned. Moreover, there was at least as much concern inside Rumania about Titulescu's policy, as was amply shown by the news contained in the Rumanian press of the anxious [parliamentary] questions being put by Rumanian Right-wing politicians. This M. Comnen was unable to deny, but he pointed out that political circles in Rumania were naturally very worried about what attitude to adopt towards their great neighbour Russia—particularly in view of the many kilometres of common frontier. Sooner or later, he said, little Rumania would inevitably have to come to some arrangement by which mutual relations were settled in amicable and neighbourly fashion. Titulescu had, however, explicitly told him that he would never conclude an agreement with Russia which he would not be ready and able to conclude, without more ado, forthwith, and with no reservations, with Germany too. M. Comnen repeatedly assured me that he was making these statements in a most solemn form, and on official instructions.

The Minister then turned briefly to the Jewish question, on which he had some days ago sent Herr von Renthe-Fink a memorandum,²

¹ Marginal note: "Enclosure". Not reprinted (9590/E676172). It is a cutting from the *Kölnische Zeitung* of Oct. 17, containing an official *démenti*, issued in Bucharest, that negotiations had been or were in progress between Rumania and Soviet Russia for the passage of Soviet troops across Rumanian territory or for a pact of mutual assistance.

² The Rumanian *Note Verbale* is dated Oct. 10 (M239/M008053-59); the German reply was contained in a *Note Verbale* of Oct. 31 (M239/M008060).

to which he referred for details. The Jewish question was becoming more of a burden on mutual relations every day. The so-called Rumanian Jews were for the most part former subjects of the Austro-Hungarian monarchy, who had become Rumanian citizens under the Peace Treaty. Very few of these people spoke or understood Rumanian, and they would have the greatest difficulty in earning their living in Rumania. In spite of this, Rumanian Jews were being expelled from Germany in ever increasing numbers; among them were families which had already been settled in Germany for three generations. Quite recently two Rumanian professors of music, both highly esteemed and of considerable standing in their profession, had been ordered to leave the country by October 31. There was a danger that the Rumanian public and parliament might take the question up and demand that the Government take reprisals. Then there would be no end to this vicious circle. The Minister requested that the Foreign Ministry should give particular attention to this problem. In this connection M. Comnen finally pointed out that he was also having a great deal of trouble with his honorary consuls, a large percentage of whom were Jews. A number of them had already of their own accord relinquished their consular office, but there still remained a whole number of Jewish honorary consuls who could not be persuaded to give it up, in spite of the present situation. The Legation could not, of course, of their own accord bring pressure to bear on the consuls in question, although their value to Rumania was already more or less nil.

M. Comnen repeatedly protested that the whole affair was painful and distasteful to him, and seemed to be hoping that I would advise him as to how he could extricate himself from his dilemma without getting into difficulties with his Government, Rumanian public opinion and also with the Jewish consuls themselves.

I confined myself to reminding him that others of his diplomatic colleagues were undoubtedly in a similar position and might perhaps be willing to tell him whether and in what way they for their part had devised a remedy.

KÖPKE

No. 363

8654/E605887-90

The Minister in Austria to the Führer and Chancellor

A 2391

VIENNA, October 18, 1935.

Received October 19.

II Oe. 2985.

Subject: The reconstruction of the Austrian Government.¹

Yesterday's reconstruction of the Cabinet is equivalent to a cold *Putsch* by Starhemberg and the Heimwehr. It has emerged that Minister Fey was informed in advance of the proposal to throw him out and had yesterday afternoon already caused the public buildings in Vienna to be occupied by the Vienna Heimwehr, who are his adherents. The Government parried this measure by simultaneously strengthening the occupation with police. Whilst the Vienna garrison was maintained in a state of alert, from early that morning a number of rail transports of the Lower Austrian Heimwehr, adherents of Starhemberg, were moving in towards Vienna. In recognition of this fact, the Vienna Heimwehr were ultimately restrained from resorting to arms after Fey had late that evening issued the order, of which you know, to accept the situation. This evening there was a big demonstration in which some ten thousand Lower Austrian Heimwehr members were deployed, an action that was turned into a tribute to the Federal Chancellor and Starhemberg. It can be assumed that there will now be no further incidents.

The background to the reconstruction of the Government, which I gave in my yesterday's telegram,² has been confirmed to me by diplomats and many foreign journalists. Prince Starhemberg tried to parry the strong criticism, everywhere apparent, of the course adopted in foreign policy and recently manifested in Geneva, by throwing out all Ministers and State Secretaries who were opposed to it. Even among the higher ranks of the bureaucracy, whose main motive is often only concern for their own office, they have been

¹ On Oct. 17, 1935, the Schuschnigg Cabinet was reconstructed, the following being replaced: Fey (Interior), Karwinsky (Justice), Neustädter-Stürmer (Social Administration), Reither (Agriculture); Buresch was replaced as Minister of Finance by Draxler but remained in the Government as Minister without Portfolio. An order issued on Oct. 18 provided for the unification of the various Austrian para-military formations as a "volunteer militia" under the command of Prince Starhemberg.

² In this telegram, No. 96 of Oct. 17 (8654/E605885-86), Papen described the Austrian Cabinet changes as a "long expected but repeatedly postponed shift of power within the Government", arising out of Cabinet controversies on what position Austria should adopt in the Italo-Abyssinian conflict, in which Starhemberg, "the man with the most powerful elbows", had taken the opportunity of strengthening his position. The reconstruction of the Cabinet might well, in Papen's view, prove to be the last attempt to keep the new Austrian system to the course hitherto pursued in domestic and foreign policy.

talking with growing alarm in the last ten days of the blind alley into which they have manœuvred themselves by making Austria's fate wholly and solely dependent on a victory by Mussolini. British opinion, which has manifested great displeasure over Austrian ingratitude and has conveyed the impossibility of rendering Austria any further support, has made a deep impression here where people have long been accustomed to watch Britain carefully. The rumour, which has been going about in the last few days, that Mussolini has let Laval know that he cannot guarantee the Brenner frontier alone, and that France must finally state that she is in fact prepared to render military aid, has contributed to this.

In this connection the communiqué issued in Bucharest yesterday has attracted particular attention.³ It is known that in the absence of Titulescu the Rumanian Government stated that there never had been, nor ever would be, negotiations about permitting the passage of Russian troops. This statement is regarded as a victory for the British Government against the desperate attempts to extend the Franco-Czech-Russian front by the accession of Rumania.

How far Italian pressure on Starhemberg has influenced him to undertake a change of government, cannot be ascertained with certainty. I learn, however, from a reliable source that Mussolini urgently demanded a strengthening of the authority of the Austrian Government and that Starhemberg himself is strongly convinced that Mussolini will ultimately triumph in the Italo-British conflict.

In spite of the apparent triumph of the Vice Chancellor and the vigorous attempts of the Austrian press to make the reconstruction of the Cabinet appear plausible on grounds of internal consolidation, Austrian public opinion—also Heimwehr circles—have the feeling of facing totally uncertain developments.

From our point of view these changes can only be welcome. Every fresh loosening of the system is of advantage to us even though its immediate effect may appear to be directed against us. The fronts are in movement and it must be our concern to keep them moving. The continuation of my negotiations on a compromise [*Ausgleich*], which I have dropped since the statements in Geneva, seems for the present quite superfluous. It would be a good thing to foment, by clever and tactful handling of the press, the growing popular feeling against Italian policy, but without giving the Government any valid occasion to proceed to the extreme measure of stirring up a new campaign against us. I should be grateful if the Reich Minister for Propaganda would employ some experienced journalists to this end.

Otherwise we can calmly leave further developments to the immediate future. I am convinced that the shift of power on the European chess-board will quite soon permit us actively to tackle

³ On Oct. 16; see document No. 362 and footnote 1 thereto.

the question of our obtaining influence in the South East [of Europe].

PAPEN

P.S.—It is reported this evening that some of the Ministers who have been thrown out are being given new posts: Neustädter-Stürmer is said to be going to Budapest as Minister; State Secretary Karwinsky is also said to be entering the diplomatic service; the Minister of Agriculture, Reither, is again to be Provincial Governor of Lower Austria.

No. 364

8023/E577464-68

The Consul at Geneva to the Foreign Ministry

Telegram

MOST URGENT

GENEVA, October 18 [*sic*], 1935—12:20 a.m.

No. 121 of October 18

Received October 19—4:10 a.m.

III O 4908.

Continuation of [telegram] No. 119.¹

Walters further confirmed to me that Germany, as a non-Member State from October 21 onwards, was not expected to take part in the prohibition on imports. On the other hand Walters pointed out that indirect cooperation by Germany in applying the resolutions of the so-called "Mutual Support Committee"² [*Ausgleichskomitee*] might arise in so far as it was expected that the exclusion of the most-favoured-nation clause in compensatory customs indemnities [*sic*]³ (cf. section 2 of telegram No. 118 of October 17),⁴ would not be allowed to fail owing to Germany's attitude.

Finally Walters expressed the view that, in respect both of their contents and their form, the replies by Germany and the United States of America would be of major importance not only for the speedy termination of the conflict between Italy and the League of Nations, but also for the future shaping of League policy as a whole. When I asked how he envisaged the structure of the League after the conclusion of the present conflict, Walters replied that he thought that from four to six months hence the time would come when the methods of the League of Nations would have to be adapted to the dynamic

¹ Document No. 361.

² i.e., the Sub-Committee of the Coordination Committee set up on Oct. 14 to consider the organization of mutual support; see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 145).

³ The German is *zollpolitische Kompensationsvergütungen*; this is evidently an error in transmission and should probably read (as in the document cited in footnote 4 below) "compensatory customs benefits" [*zollpolitische Kompensationsvergünstigungen*].

⁴ Not printed (8023/E577454-55).

forces of political life, for which German cooperation would be a primary desideratum; he therefore hoped that the present German attitude would facilitate subsequent cooperation with Britain.

2) The conversation with Walters was preceded by a talk with Minister Wilson.⁵ Wilson asked me to call on him in order to tell me that hitherto no official enquiry of any kind in respect of participation in the sanctions recommendations had been addressed to the United States either in Geneva or, as far as he knew, in Washington, and he wanted to know whether the same attitude had been adopted in respect of Germany; I confirmed to him that it had. Whereupon Wilson explained that he nevertheless knew, from a conversation with "an authoritative member of the delegation of the Power most interested" (meaning Eden—cf. telegram No. 114 of October 16),⁶ that it was proposed to address an enquiry on this subject to non-Member States within the next few days, and to do so by forwarding the resolutions of the Sanctions Conference, accompanied by a request for a statement of views "as far as possible".⁷ This form of enquiry had been chosen since it had been held to be that best designed to facilitate replies and expressions of opinion from important non-Member States. It was this purpose which had dictated the attitude generally adopted in this question and in particular the British attitude. This, too, was the reason why no *démarches* had previously been made in Berlin and Washington; it was desired to avoid conveying any impression whatever of exerting any form of pressure in this matter. Naturally it entailed a risk that the decisions of the non-Member States and also perhaps the effectiveness of the sanctions themselves would be delayed so that the attitude of the non-Member States could, in consequence, be more easily made to serve as a pretext for more stringent measures, e.g., a blockade, on the grounds that the previous sanctions had proved ineffective. But in any case, an attempt would be made to shift the blame for a blockade on to non-Member States and a few other innocent members of the League; it was at all events more important to the United States of America that Washington should be able to decide on its attitude to sanctions uninfluenced as far as possible by the League of Nations or any individual Member States.

⁵ Hugh R. Wilson, United States Minister in Switzerland.

⁶ Not printed (8023/E577448-49); in this telegram Krauel reported a conversation with M. Maurice Bourquin, a Belgian delegate to the Assembly, who had discussed with Eden on the previous day the form to be taken by sanctions negotiations with Germany.

⁷ In telegram No. 123 of Oct. 20 (8023/E577472-73), Krauel reported a conversation that day with Walters on the decision that non-Member States should merely be informed of the League's sanctions recommendations and that it should be left to them to decide whether and how they should reply. For the text of the Note addressed to States non-members of the League by the Chairman of the Coordinating Committee, Vasconcellos, on Oct. 21, 1935, see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 145), p. 27; a translation of Vasconcellos' communication to Neurath and of its annexes has been filmed as 8023/E577476-96.

Wilson then described the conception of neutrality as the basis of the American attitude in the question of sanctions and asked about the German view. I evaded an answer about the German attitude by remarking that the definition of the conception of neutrality in the present case was less a question of international law than a question of the *de facto* attitude of influential non-Member States, which, if the leading League Powers approved it, would be described as "neutral", but would otherwise be described as "hostile to the League". Wilson took up this idea by observing that the way the attitude of the non-Member States, especially Germany and the United States of America, was judged would be very considerably influenced by the form their answer took and, in particular, would be favourably judged by Britain if the common attitude of Berlin and Washington, in form too, corresponded to the general British conception of collective action, also with a view to the future. Wilson pointed out, however, that common action by Germany and the United States was difficult in so far as the position of the two States was not quite the same; but this would not, of course, exclude their keeping in touch over this question. In this connection Wilson also said he thought that Germany's present attitude to the question of sanctions would, from the point of view of form, substance and also speed, greatly influence both the present and future attitude of the British Government *vis-à-vis* both Germany and France.

3) In the interval of my conversations with Wilson and Walters I talked to another member of the League Secretariat, who is also usually well informed about British plans. This informant confirmed Wilson's information to me, and he, too, emphasized that in his opinion the present German answer would be of extreme importance for the future of German-British relations and the possibility later of Germany's participating in reforming the methods of the League after the conclusion of the present conflict. Referring to the most recent statements by influential members of the British Government, which had made plain the dual aim of British policy—on the one hand, to put a speedy end to the present state of war, and, on the other, by removing its cause to obtain a reform of the League procedure for safeguarding peace—he said that the British were obviously contemplating, after the defeat of Italy, the calling of a peace conference in which non-Member States, and especially Germany, would also take part, and at which Britain, as far as lay in her power, would support the German wishes with regard to the development of the Covenant of the League into "a real instrument of peace with practical effect", in order to achieve Germany's re-entry into the League of Nations as support for British policy in Geneva. Thus this conversation, too, seems revealing for the interpretation of British tactics *vis-à-vis*

Germany, which are seeking to bring the present question of sanctions into harmony with general League policy in future.

KRAUEL

No. 365

8017/E576988-89

Circular of the State Secretary

Telegram

BERLIN, October 19, 1935—7:00 p.m.

III O 4891 [Ang.] II.

1. To London No. 207.
2. To Rome No. 223.
3. To Paris No. 443.
4. To Tokyo No. 96.
5. To Washington No. 182.
6. To Moscow No. 127.
7. To Geneva No. 80.

To 1: With reference to your telegram No. 210.¹

To 2-7: With reference to our London Ambassador's telegram on his conversation with Sir Samuel Hoare forwarded to you by telegram.²

To 1-6: For the Ambassador personally.

To 7: For Consul Krauel personally.

Even if it is true that the League of Nations policy forms an essential part of British foreign policy, we nevertheless believe that, in the British attitude to the Italo-Abyssinian conflict, special British interests (interest in restraining Italian power from becoming more strongly established in East Africa, in preventing the racial question from being raised) have been, and still are, of decisive importance. You should bring influence to bear on representatives of the German press at your end so that they do not pass on uncritically to their newspapers the British contention that British policy in the present conflict is dictated solely or principally by the interests of the League of Nations.³

BÜLOW

¹ Document No. 355.

² See document No. 355, footnote 6.

³ The heads of Mission in Warsaw, Madrid, Ankara, Vienna, Budapest, Bucharest, Buenos Aires, Rio de Janeiro, Brussels, Belgrade and Athens were given identical instructions by a despatch of Oct. 21 (8017/E576990).

No. 366

2784/540436-38

Memorandum by the State Secretary

BERLIN, October 19, 1935.

The Italian Ambassador came to see me today for the first time since my return from leave and immediately started discussing the Abyssinian conflict. He distinguished for his part between the three conflicts: Italy and Abyssinia, Italy and Britain and Italy and the League of Nations. With regard to the first he stated merely that there had been no proposals for or attempts at mediation, as far as he knew. In his opinion it was still too early for this. Some time must elapse before the situation was ripe for it. He obviously meant, without saying so, that Italy must first have further military successes to show before she could lend an ear to proposals for mediation. As far as Britain was concerned, he could discern a considerable *détente*. As early as September, Rome had pointed out to the British via Paris that the British measures in the Mediterranean, the Italian counter measures, and whatever further steps on either side might result, represented a vicious circle which must automatically lead to war and which it would therefore be expedient to break. The reply had been Hoare's familiar statement¹ that Britain was thinking neither of military sanctions nor of closing the Suez Canal and would only take part in collective sanctions. This declaration had now been renewed and its value increased; for one thing, it had been made publicly known, and, for another, it had been supplemented by the declaration that Britain was not thinking of a blockade against Italy either. Summing up, Attolico spoke very optimistically of the possibility of a *détente* with Britain, and wished me to confirm this view. I told him that I could confirm his view only in so far as, during the most recent discussion between Hoesch and Hoare,² the latter had spoken only of League of Nations measures and a League of Nations conflict with Italy, but not of special British measures against Italy nor of the British-Italian conflict. With regard to the conflict between Italy and the League of Nations, too, Attolico was relatively optimistic. He enquired about our attitude and about our reply, but as he was already sufficiently well informed on these matters, I was not able to tell him anything new. He asserted that what he called the postponement of the economic sanctions³ for a fortnight was of exceptional

¹ See also document No. 326.

² See document No. 355.

³ Proposals III (Prohibition of Importation of Italian Goods) and IV (Embargo on certain Exports to Italy), adopted by the Coordination Committee on Oct. 19, did not fix a definite date for the application of the proposed measures; this was to be determined by the Coordination Committee which was to meet again on Oct. 31 (see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 145), pp. 20-25).

importance. The majority of the small States at Geneva were very much afraid of sanctions and wanted to make use of the non-Members' refusal to take part in sanctions to reduce the sanctions programme. For the same reason they had helped to draw up as harsh a sanctions programme as possible, so that the contrast between what the League of Nations was proposing and what the non-member States (America, Germany, Japan, etc.) would accept, should be as marked as possible. America's attitude was clear. She would not go beyond what she had already conceded, and even Roosevelt's warning against the use of Italian vessels and against transactions with Italy⁴ was not much more than an empty gesture. Japan had already announced her non-participation in all sanctions and our attitude, in so far as it was known to him, tallied with the American and Japanese point of view. The only special point seemed to him to be that we had also spoken of trade treaties and the like which we intended to observe. I, for my part, spoke of the grave damage to world economy which must result from sanctions, and which, though it constituted no great threat to us, must indirectly affect us too, since sanctions as planned must necessarily harm many countries and since, after all, one could only do good business with countries which were economically prosperous. In conclusion the Ambassador asked me very emphatically to keep him currently informed of the course of events, and in particular of *démarches* by Ambassadors here and of possible League of Nations enquiries. For him, as the new Ambassador, it was extremely important to be able to report home promptly and accurately. I promised to keep him informed as far as possible.

BÜLOW

⁴ The warning against the use of ships of the belligerent Powers was contained in Roosevelt's proclamation of Oct. 5 (see document No. 343, footnote 2); in a statement of Oct. 5 Roosevelt issued a warning that "any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk" (for the text see *Documents on International Affairs 1935*, vol. II, p. 279).

No. 367

8021/E577332-36

The Minister in Hungary to the Foreign Ministry

A 188 P 53

BUDAPEST, October 19, 1935.

Received October 21.

III O 4974.

POLITICAL REPORT

Subject: Foreign Minister de Kánya on Anglo-Italian relations.

In my conversation today with the Foreign Minister, I found my impression confirmed (cf. my report No. A 187 of October 18)¹ that

¹ Not printed (8021/E577330-31); in this telegram Mackensen summarized a statement by Kánya in the Hungarian Chamber of Deputies on Oct. 16 in reply to an interpellation by Count M. Esterházy; for the text of Kánya's statement see the *Pester Lloyd* (Morgenblatt) of Oct. 17.

M. de Kánya is finding the optimism in judging the development of the Italo-Abyssinian conflict which, in the early stages, he not only manifested but also actually felt, damped very noticeably indeed. He now admits, as indeed he also did the other day in Parliament when answering Esterházy's interpellation, that subsequent developments have heavily mortgaged his hopes that the quarrel, and especially the use of military force, would be localized. But on coolly and critically studying the possible developments of the present situation, he still regards an armed clash between Italy and Britain, despite all the difficulties and acute disagreements, as being avoidable and a *détente* as envisaged by Laval's tireless exertions as therefore conceivable, but these possibilities presuppose insight and readiness for an understanding on the part of Mussolini, and it is a matter of some doubt whether either of these exist.

He said he had been very much interested in what the present British Chargé d'Affaires² had set forth to him yesterday in a conversation of some length. (The new British Minister, Knox, has not yet arrived.) The Chargé d'Affaires had called on him in order to acquaint him, on instructions from his Government, with the British point of view. M. de Kánya summed up what he had heard very clearly and, it seemed to me, pretty faithfully as follows: Britain was still well disposed towards Italy. Britain quite appreciated that there was some justice in Mussolini's demand for "living space" for the surplus Italian population. Britain rejected military sanctions; but first and foremost Britain's interest in this hour lay in the maintenance of the League of Nations. If the conflict between Italy and Abyssinia could not be cleared up *in Geneva*, that meant the end of the League of Nations, and therefore—and this was the crux of the matter for Britain—the end of all peaceful developments in Europe. Britain was not pursuing any selfish aims, but everything she did was done solely to save the League. Should this fail, there would be nothing left for Britain but to withdraw from the League and to pursue her interests in other ways. That meant abandoning the course adopted when the League was set up and returning to earlier methods of alliances and military agreements which would eventually mean war. The era of intense pacifism was over in Britain and the broad mass of the nation could be won over for any rearmament, even on a large scale.

M. de Kánya had then asked the Chargé d'Affaires whether his remarks were to be understood in the sense that, should the present action in Geneva fail, only war between Britain and Italy would remain as the *ultima ratio*. The Chargé d'Affaires had replied that, although his instructions did not draw this conclusion, he personally regarded M. de Kánya's view as the logical conclusion of what he had been saying. "War", he added, "until Italy is annihilated". For a

² W. R. C. Green.

great variety of reasons Britain had nothing to gain from such an annihilation but, if it came to war, that and that alone would be the result.

At this point, M. de Kánya added that he could not see behind the scenes and did not know exactly whether Britain's intentions to save the League, as set forth to him by her representative, were really Britain's final aim or whether at the present stage more far-reaching intentions—and not of an unselfish nature—were not playing a part. It was certain, he said, that British public opinion was roused against Italy to an unusual degree. The incredible behaviour of the Italian press had greatly contributed to this.

When I remarked that in conversation here I had come across the view that Britain might perhaps, at a certain later stage in developments, show an inclination to make concessions to Italy but not to Mussolini, M. de Kánya replied that he considered this very possible. Whereupon he gave vent to his opinion of the Duce in his foreign policy with an asperity such as I would never have expected, least of all from M. de Kánya.

"It was true that one ought not to speak ill of one's friends, and Mussolini had always, and in every situation, proved to be a reliable friend of Hungary, more reliable than was customary with the Italians", but in his whole foreign policy he had made nothing but mistakes—as he, Kánya, could demonstrate with countless examples. It was questionable today whether his decisions in foreign policy were still based at all on an evaluation of the actual possibilities that to any extent corresponded to the facts. In particular he seemed to be deluding himself in his assessment of the relative strengths of Britain and Italy. He—Kánya—knew nothing about domestic politics, but he could imagine that what Mussolini had achieved inside his country in the remoulding of the Italian people should be regarded as the work of a great statesman, but in foreign policy he had made one mistake after another and had now managed to manœuvre Italy into a position of almost complete isolation. When I interrupted to ask why then Hungary, despite this view of the matter, had hitched her wagon to Italy's star, M. de Kánya replied that there was no question of hitching on. What Hungary had done at Geneva was to demonstrate absolute political reliability *vis-à-vis* a friend who had proved loyal. That was a great gain for the value set on Hungarian friendship in the whole sphere of international relations. Whoever showed himself to be unreliable in such a situation received, sooner or later, his deserts for his unfair conduct: the best proof was Italy herself, whose day of reckoning had come twenty years after the events of April 1915, and whom no nation in the world, on whichever side it now was or might have stood, really trusted. Mussolini himself was to this extent an exception; he had, M. de Kánya again emphasized, always shown himself

to be perfectly reliable. Moreover, in Geneva Hungary had also desired to serve the real idea of the League of Nations, which was to settle conflicts and not to aggravate tense situations.

My general impression was that M. de Kánya does not attribute any very great prospects of success to Laval's attempts at mediation and, if they finally fail, expects Britain to withdraw from the League. This, in his view, would make an open Anglo-Italian conflict unavoidable. Should this happen, he sees the military prospects as being in favour of Great Britain. He has no doubts about the words of the British Chargé d'Affaires, "if war, war until Italy is annihilated".³

V. MACKENSEN

³ This document is marked: "The Chancellor is informed, L[ammers], Oct. 25." Copies were circulated to the Missions in London, Paris, Rome, Vienna, Belgrade and Bucharest, and to the Consulate at Geneva, under cover of a despatch of Oct. 24 (8021/E577337-38). A marginal note on the copy of the document in the files of the Legation in Vienna (8026/E577762-67) reads: "The Führer, to whom this report has been submitted, told me that he entirely shares Kánya's view. P[apen]."

No. 368

8654/E605893

The Minister in Austria to the Foreign Ministry

Telegram

No. 97 of October 21

VIENNA, October 21, 1935—1:20 p.m.

Received October 21—3:35 p.m.

II Oe. 2992.

During my today's conversation with Secretary General Peter,¹ he emphasized that the strengthening of the Government's authority² could only benefit our negotiations for a settlement. The Government, he said, were satisfied at the perceptible *détente* brought about by the press agreement³ and urgently desired to continue on those lines. The *Politische Blätter*⁴ of Dr. Winter, the Burgomaster of Vienna, and the Jewish weekly *Gerechtigkeit* [*Justice*], which had given us cause for complaint, had been banned.

I maintained a receptive attitude and remarked that we should watch with interest the course which the new Government pursued.

I shall come to Berlin in the next few days to report in person.⁵

PAPEN

¹ Franz Peter, Secretary General of the Foreign Affairs Department of the Austrian Federal Chancellery.

² See document No. 363, footnote 1.

³ See Editors' Note, p. 588.

⁴ The *Wiener Politische Blätter*, edited by Dr. Ernst Karl Winter, Vice Burgomaster of Vienna.

⁵ Another copy (8654/E605893) of the document here printed bears the marginal note: "[For the] R[eich] C[hancellor]. v. N[eurath], Oct. 22," and was initialed by Lammers Oct. 23. No record of Papen's conversations in Berlin has been found.

No. 369

5562/E396711-12

An Official of Department II to the Legation in Greece

Telegram

URGENT

BERLIN, October 21, 1935—7:15 p.m.

No. 69

zu II M 2368.¹

With reference to your telegrams Nos. 75² and 85¹ and your reports II G.J. 3 of October 3,³ 15⁴ and 16.⁵

The Greek Naval Commission⁶ which has been touring Germany for some time and which was still there when your reports of September 30² and October 3³ came to hand, has discussed with the Army Ordnance Department questions regarding the delivery of other military equipment going beyond the scope of their actual mission, which concerned naval requirements. It was agreed with the Commission that after returning to Greece and obtaining the agreement of the Departments there they should then send us a final list of requirements.

The lists which you submitted with your report of [October] the 3rd³ have been passed on, but, in view of the arrangements made with the Commission, have so far been regarded as provisional.

On our side we are prepared, in principle, and within the limits of what is possible, to supply Greece with equipment. Furthermore, everything possible is being done here to ensure centralization and direct handling of the transactions, as desired by Greece. Central German Departments for transactions in war material are: The Export Consortium for War Material,⁷ which is in process of formation as part of the Reichsgruppe Industrie, and which will take over external activities (in respect of all military and naval war material) as soon as the new Law on the Export and Import of War Material has been promulgated,⁸ and the Sales Department of the Reich Association of the German Aviation Industry (for all air war material).

FROHWEIN

¹ II M 2368 was Athens telegram No. 85 of Oct. 19 (5562/E396709).

² Document No. 312.

³ Not printed (5562/E396689-40).

⁴ Not printed (5562/E396667-71).

⁵ Not printed (5562/E396689-92).

⁶ In telegram No. 52 of Aug. 29 (9312/E660610) Athens had been informed that a Naval Commission led by the Chief of the Greek Naval Staff was expected to arrive early in September to visit the Schichau shipyard and Rheinmetall and that at the request of the Athens representative of Rheinmetall this information was to be kept secret even from the Greek Legation in Berlin.

⁷ See also Editors' Note, p. 791.

⁸ See document No. 402 with footnotes 2 and 3 thereto.

No. 370

8017/E576992-94

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 214

LONDON, October 21, 1935.

Received October 22—10 a.m.

III O 4981.

Sir Robert Vansittart today described to me the French reply of the day before yesterday to the British enquiry¹ regarding naval assistance in the event of an attack, as a "Yes in two thousand words". He added that the reply could not have been anything but "Yes", since otherwise cooperation on the basis of the League of Nations Covenant would have collapsed. The reply, he said, contained a lengthy explanation of French behaviour in the Italo-Abyssinian conflict and sought to prove French loyalty. Counter demands relating to Germany were not contained in the reply. The British Government regarded the reply, which incidentally is not to be published, as a satisfactory answer to their enquiry.

On the other hand, he said, there was still some annoyance here over the fact that, as a result of France's behaviour in general, Britain had been placed so markedly in the forefront of the League of Nations action that everywhere, and particularly in Rome, the impression had been created that Britain was trying to engineer a separate conflict with Italy. The purpose of Sir Eric Drummond's conversation with Mussolini at the end of last week² and the joint communiqué issued about it (cf. report A 3678 of October 21)³ had been to dispel this impression, shared by Mussolini himself.

These two events had been followed by a clarification or *détente* both in relations between London and Paris and in relations between London and Rome, but this, admittedly, did not affect the material question of the Italo-Abyssinian conflict.

When I asked what prospects the present situation might offer, Vansittart replied that Baldwin, the day before yesterday, had made a deliberately conciliatory speech⁴ which might make it easier for Mussolini to give way, difficult though this might be for him. Despite the anti-Fascist attitude of the Left, authoritative British circles in no way desired to weaken Mussolini's position at home, for the dangers of such a turn of events were fully realized. It was therefore

¹ See also document No. 355 and footnote 5 thereto.

² Communiqués issued in Rome and London on Oct. 19 stated that Drummond had seen Mussolini on Oct. 18; for the British communiqué on this interview see *The Times* of Oct. 21, 1935.

³ Not printed (8015/E576218).

⁴ The reference is to Baldwin's speech at Worcester on Oct. 19; for the text see *The Times* of Oct. 21, 1935.

hoped that Mussolini, in view of the financial and economic straits now threatening Italy, would find a means of giving way.

Further remarks by Vansittart confirmed the impression that Britain, at any rate for the present, will not press for the imposition of further sanctions against Italy, but will be satisfied with the bunch of sanctions now decided upon. At any rate, Vansittart remarked that such action against war as was now being carried out was characterized essentially by the fact that, military measures not being in question, the aggressor's venture was being made as costly as possible for him.

Another high official of the Foreign Office whom I also saw said that a solution might perhaps be reached by Mussolini, after a possible fresh military success, negotiating direct with the Negus and reaching an agreement which could then be recognized by the League of Nations as the conclusion of peace between the belligerents.

HOESCH

No. 371

2784/540440-41

*Ambassador Attolico to Foreign Minister Neurath*¹

STRICTLY PRIVATE
AND CONFIDENTIAL

R[OYAL] ITALIAN EMBASSY,
BERLIN, October 21, 1935.
Received October 21.

MY DEAR BARON: As I see, the time for the public statement, of which we spoke about a few days ago,² has now come. As I told you on that occasion, the "form" of that statement may help me tremendously to bring about a personal acknowledgment from Mr. Mussolini—to Mr. Hitler direct.³

I take the liberty of sending you and perhaps ask you kindly to forward to Mr. Hitler—together with my most respectful and sincere greetings—the translation of a communication from Rome. I will show you one day the *entire original* of the communication which you may perhaps find even more interesting that [*sic*] it now looks.

With most sincere compliments and greetings,

Believe me,

Yours faithfully,

B. ATTOLICO

¹ The document here printed is handwritten and in English in the original; the enclosure is in typescript and in German.

² See document No. 352.

³ The words "a personal acknowledgment" have been underlined in Neurath's green crayon and a marginal note in his handwriting reads: "This does not tempt us." Question marks added by him appear against the opening sentences of both the first and second paragraphs.

[Enclosure]

The Royal Italian Ambassador in London, H. E. Grandi, reported the following on October 5:

I have learned that Baldwin is alleged to have said a few days ago to a French personage: "The British people have always countenanced dictatorships as long as the dictatorships concerned themselves with the domestic affairs of their own countries. When dictatorships have shown an urge to sally forth from home, to poke their noses beyond their own frontiers, and to disturb the peace, Great Britain has sooner or later been compelled to intervene in order to free the world from the danger of the dictatorships. That is what England did with Napoleon. That is what England did with Wilhelm II. That is what England will do with Mussolini now . . ."

No. 372

8071/E579358

Minute by an Official of the Reich Chancellery

BERLIN, October 21, 1935.

zu Rk. 8372.¹

1. As instructed, I informed the competent official in the Foreign Ministry, Senior Counsellor Benzler, and the Director of Department III, Ministerialdirektor Dieckhoff, of the Führer's views on the question of the export of coal from Germany to Italy. The concept of "normal trade" (page 15 of the Foreign Ministry memorandum)¹ will in future not be based on the "average of several preceding years" but in each case on the optimum attained up to the coming into force of economic sanctions against Italy.²

2. Herewith respectfully submitted to the State Secretary.

3. To Ministerialrat Willuhn for information.

4. To be filed.

THOMSEN

¹ Rk. 8372 was the number under which the Reich Chancellery's copy (8071/E579341-57) of the Foreign Ministry memorandum of Oct. 7 (see document No. 361, footnote 7) was filed.

² No record of such information, or of any related papers, has been found in the Foreign Ministry files.

No. 373

8015/E576222-24

Memorandum by an Official of Department II¹

BERLIN, October 22, 1935.

Before the Abyssinian campaign began, military conversations took place between Italy and France with the object of concluding arrange-

¹ Marginal notes on the document here printed refer to source material used in its compilation. They are here footnoted as they occur; they were omitted from the copies circulated to Missions (see footnote 10 below).

ments on the military measures which could be taken in the event of Austria's independence being endangered.² The conversations were brought to a conclusion by means of visits by the Chiefs of the General Staffs of either country to Rome and Paris respectively.³ The practical outcome of these consultations consisted chiefly in the fact that Italy was able to withdraw troops from the region of the French frontier and transfer them to the region of the Austrian-Yugoslav frontier, and especially to South Tyrol. France, in turn, was enabled to transfer troops from the region of the Italian frontier (XIV and XV Region) to the north-eastern frontier.⁴

At these conversations an Italian operation against Germany, in conjunction with a French action, and especially the nature and extent of possible French armed assistance, are said also to have been the subject of discussion.⁵ According to reports which appeared in the press, the participation of two French divisions on the Austrian frontier was envisaged.

Mussolini, and the military authorities, too, have frequently stressed to us, as a decisive factor, that neither Laval's visit to Rome nor the military conversations between the Chiefs of the General Staffs resulted in an Italo-French military alliance.² It has, moreover, been pointed out to us by Italian military quarters that the withdrawal of military units from the region of the French frontier has in part been counterbalanced by the formation of reserve units in that region.⁶ Furthermore, the active strength of the units has in any case been increased by calling up several classes.

The report, published by the *Daily Telegraph* on October 16, that Mussolini had taken steps in Paris to ascertain what support on the Brenner frontier he could expect from France, as without such support he would not be in a position to withstand a German action, has been denied in Rome.⁷ Press reports of October 18, however, stated that

² Marginal note: "II It. 1052". This was a report of July 4 by the Military Attaché in Rome on a conversation that day with General Roatta who had given him information about General Gamelin's visit to Rome (5609/E402316-20). This visit took place at the beginning of July (see *The Times* of July 6, 1935).

³ Marshal Badoglio visited France in early September; see *The Times* of Sept. 5 and 7, 1935.

⁴ Marginal note: "II M 1782". This was report No. 25 of July 26 from the Assistant Military Attaché in Paris, commenting on Gamelin's visit to Rome and on the report cited in footnote 2 above (M273/M011420-25).

⁵ Marginal note: "II M 1636 and 2236". These were (i) report No. 22 of July 5 from the Military Attaché in Paris reporting on what he had learned concerning Gamelin's visit to Rome (5606/E401762-63), and (ii) report Geh. 821 of Oct. 3 from the Military Attaché in Vienna, Muff (5705/E414602-03), quoting the Hungarian Military Attaché in Paris as saying that it had been agreed between the French and Italian General Staffs that in the event of war against Germany, Italian forces, reinforced by French, would be deployed in the Linz-Salzburg area.

⁶ Information to this effect had been noted by Admiral Canaris in a memorandum of Sept. 19 on his conversations with General Roatta and Captain Brenta at Gardone on Sept. 16 and 17 (5573/E399911-17).

⁷ Marginal note: "P 7972". From the register of the Press Department this has been identified as Rome report I 748 of Oct. 19 (9045/E633698); the relevant Foreign Ministry file is not in the archives.

Mussolini had ordered troops from the Brenner region to Naples for embarkation.⁸ The reports also stated that it was intended to withdraw further troops from the north and to send them to Libya. Should the *Daily Telegraph* report have had any basis of fact, it may be assumed that Mussolini pointed out to the French Government that, should Britain continue in her threatening attitude, he would be compelled to reduce the strength of his forces on the Brenner frontier to a level below that which the defence of Austrian independence would require.⁹

LORENZ¹⁰

⁸ Marginal note: "Attached." A cutting from the *Berliner Börsen-Zeitung* of Oct. 18, citing a report from the French news agency Fournier, is filed with the document here printed (8015/E576226).

⁹ Marginal notes at the foot of the document here printed: (i) "D[irector]: The supposition which Herr Lorenz makes at the end of the above memorandum, that the *Daily Telegraph* report does indeed contain a grain of truth in that Mussolini may have tried, by referring to Austria's being in jeopardy, once again to exert pressure on France and Britain in respect of their attitude over the Abyssinian conflict, is very likely to be correct—despite the denial by Suvich (cf. the attached telegram No. 205 from Rome). R[enthe]-F[ink], Oct. 25." [In telegram No. 205 of Oct. 22 (8015/E576225) Hassell reported that Suvich had described reports about alleged Italian communications to France concerning the Brenner Pass as complete fabrications.] (ii) "First to [Division] II It[aly]: To whom has telegram No. 205 from Rome been circulated? Should not these Missions perhaps be informed of the supposition so plausibly set forth in the memorandum? Köpke, Oct. 25." (iii) "Submitted to Dept. III for possible further action in accordance with the above marginal note. L[orenz], Oct. 25."

¹⁰ Copies of the document here printed were transmitted by Dieckhoff to the Missions in Rome, London, Paris, Warsaw, Moscow, Vienna, Belgrade, Budapest, Bucharest, Athens, and to the Consulate at Geneva under cover of despatch zu III O 5030 of Oct. 23 (8015/E576230).

No. 374

7456/H176206

*British Assistant Under Secretary of State Craigie to Counsellor of
Embassy Bismarck*¹

Copy

FOREIGN OFFICE, S.W.1.

22nd October, 1935.

[zu] II R 2158.²

DEAR BISMARCK: I write to let you know, for the confidential information of your Government, that His Majesty's Government have now decided to summon a Conference of the Washington and London Naval Treaty Powers to meet in London on December 2nd next.³ The purpose of this Conference would be to secure agreement on as many aspects as possible of naval limitation with a view to the conclusion of an international treaty which would take the place of the two Naval Treaties expiring at the end of 1936. It is hoped that,

¹ This letter is in English in the original.

² Despatch A 3688 of Oct. 22 (7456/H176205), under cover of which the document here printed was received at the Foreign Ministry on Oct. 23.

³ The opening date was subsequently postponed to Dec. 9.

once agreement is in sight between the representatives of the signatory Powers, the scope of the Conference may be extended so as to include representatives of the other naval Powers.

It is anticipated that formal invitations to the Conference will be despatched in the course of the present week but in the meantime the Governments of the Powers signatory to the Washington and London Naval Treaties have been notified confidentially that the Conference will be summoned.

Yours sincerely,

R. L. CRAIGIE

No. 375

8020/E577257-59

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 203 of October 22

ROME, October 23, 1935—1:05 a.m.

Received October 23—3:30 a.m.

III O 5023.

Suvich gave me the following information today about the situation:

The *détente* between Britain and Italy, reported by the world press, certainly existed, but it was more in word than in deed. No agreements about the mutual withdrawal of military measures in Cyrenaica and the Mediterranean had been concluded, nor would any be made. Meanwhile Italy, pursuant to the above-mentioned *détente*, would send back one division from Cyrenaica to Italy, but only partly to show goodwill and partly for purely military reasons. No counter performance by the British had been agreed upon nor had they done anything as yet. Suvich hinted that even if a few British ships were to be withdrawn, this would not be equivalent to ordering a division home, since ships could of course return to their original station in a very short space of time. When I asked whether the Italians had been requested to make proposals for settling the Abyssinian conflict, and whether they would do so, his reply was to the effect that no official request had been received but only oral French enquiries made as to the Italian claims. The Italians had already previously replied, and would continue replying, that the proposals of the Committee of Five¹ were based on incorrect factual premises. Abyssinia was not uniform; the more advanced central area of the ruling race could be treated differently from the rest of the country, where all the preconditions for multipartite League rule were lacking. Italy was therefore proposing League of Nations protection for the central area and an Italian mandate for the peripheral provinces, and, in addition, frontier regulation by Italy herself in Tigre and Ogaden. Suvich

¹ See document No. 321, footnote 4.

again gave me to understand that Italy was fully prepared to enter into conversations over frontier delimitation. When I asked about an Abyssinian port he replied, without much enthusiasm, that Italy did not desire one. On the whole, I gained the impression that there was increased readiness for compromise. He viewed with scepticism the prospects of coming to an understanding before these sanctions [*sic*] [? were imposed]. On the other hand, he thought that this would stand a better chance after the British elections,² since the elections would not be fought under the slogan of a fight with Italy but under that of fulfilling British obligations to the League of Nations. I pointed out the psychological difficulties for Britain of conceding more, after a military action condemned as contrary to the League of Nations, than she had offered before. Suvich declared that the answer to this was that, had the Committee of Five judged the situation aright, there would have been no military action, an argument which, however, did not sound convincing even to himself.

The Italian Government were not yet acquainted with the text of the French reply to the British enquiry;³ from Suvich's remarks there emerged considerable anxiety over future French policy.

Suvich thinks that economic sanctions will not work; exceptional difficulties were, he said, clearly discernible even now. I replied that there would then arise the serious question as to whether Britain would turn her back on the policy of the League of Nations and on Europe, or whether indeed she would herself resort to more stringent measures. Suvich considered the former improbable since it would be to admit defeat; on the contrary, as Baldwin had already indicated, the British would then strive for a reform of the League of Nations. They themselves would be unlikely to give way but would endeavour to take more stringent action themselves within the scope of the League of Nations resolutions.

Suvich expressed pleasure at the friendly attitude of the German press and presumed that in the event of sanctions we should still remain neutral. I replied that we were abiding unconditionally by neutrality; but that no one had put to us the question of taking part in sanctions, so that we had as yet had no occasion to state our views.

Suvich also remarked that the recall of the division had not been made public and it might be that it would not be made public at all.⁴

HASSELL

² A general election was due to be held in Great Britain on Nov. 14, 1935.

³ See document No. 370.

⁴ Information about Hassell's conversation with Suvich was transmitted to the principal Missions by telegram on Oct. 23 (8020/E577260-62). In Paris telegram No. 1090 of Oct. 25 (8015/E576231) Forster replied: "The increased readiness to compromise which Suvich expressed to our Ambassador in Rome is confirmed by information reaching me from a sure source. The main stumbling-block appears at the moment to be Tigre, which Italy is determined should be detached from Abyssinia, but Britain is refusing."

No. 376

2368/494171-72

*Memorandum by the Foreign Minister*BERLIN, October 23, 1935.
RM 805.

I asked the British Ambassador to call on me today and told him the following with reference to his Note of October 19:¹

I had asked him to come and see me in order to ask him whether he had anything further to tell me in addition to this Note. I had to say that the manner in which his Government had informed us of their views on a question in which we had, after all, a not inconsiderable part, was unusual. The British Government had evidently quite forgotten that we too were a party to the Locarno Pact. I had already told the Ambassador repeatedly that we shared the British Government's views about the Locarno Pact continuing. On the other hand I must make every reservation with regard to the way in which, in their communication, the British Government had seen fit to deal with the situation which had arisen as a result of our withdrawal from the League of Nations.

I also pointed out to the Ambassador that, in Article 1 of the Air Pact draft² which at their request we had communicated to the British Government in May of this year, we had indicated the way in which we thought the matter could be settled.

The Ambassador was unable to say anything further. He merely informed me that an identic Note had been communicated in Paris and Rome. I requested the Ambassador to inform his Government of our conversation as soon as possible.³

V. N[EURATH]

¹ This Note (8753/E610796), which is in English in the original, and signed by Phipps, reads: "Your Excellency: I have the honour to inform Your Excellency that His Majesty's Principal Secretary of State for Foreign Affairs has had under consideration the reply which should be returned to any enquiries which may be made of His Majesty's Government, when Parliament meets next week, regarding the effect on the Treaty of Locarno of Germany's withdrawal from membership of the League of Nations.

"2. I have now been instructed to inform Your Excellency that, if such a question be put, Sir Samuel Hoare will reply that, under Article 17 of the League Covenant, the provisions of the articles of the Covenant which are referred to in the Treaty of Locarno can become applicable to disputes where one of the parties is not a member of the League and that there is therefore a means by which all the provisions of the Treaty of Locarno can still receive their due application in the new circumstances." For Hoare's instructions to the British Missions at Berlin, Brussels, Paris and Rome, see *British Blue Book*, Cmd. 5143 of 1936, No. 41.

² Document No. 106, enclosure.

³ For Phipps' report on this interview see *British Blue Book*, Cmd. 5143 of 1936, No. 42.

2368/494192-93

No. 377

Memorandum by the Foreign Minister

BERLIN, October 23, 1935.

RM 806.

During his visit today the British Ambassador read me a report from the British Chargé d'Affaires in Kovno to his Government stating that the Lithuanian Foreign Minister had asked him to cause the British Government to mediate with a view to restoring better relations with Germany. At the British Chargé d'Affaires' suggestion, the Lithuanian Foreign Minister had requested that the German Government should be sounded secretly and in strict confidence as to whether they would be prepared, should the eighty-two Memellanders¹ be released, to release the ten Lithuanians, mostly Communists, Jews and alleged spies, who had been arrested in Germany and, at the same time, to restore Reich nationality to the eighty-two Memellanders and receive them into Germany.

I told the British Ambassador in reply that, welcome though this *démarche* by the Lithuanian Foreign Minister was, as indicative of a return to reason, I could not at the moment say whether the matter could be settled by a simple exchange of prisoners. He must not forget that the eighty-two Memellanders now held in Lithuanian prisons were mostly people who possessed land and houses in the Memel Territory and who could not simply be transported to another country as if they were tramps or stateless. I would investigate the matter, however, and have him informed as to our views. Sir Eric Phipps also thought that it might perhaps be especially beneficial if agreement in principle could be announced before the Memel Landtag met on October 29. I expressed doubt as to whether this would be possible and added that this gesture of Lithuania's could indeed be the beginning of a return to normal, but that much remained to be done before the Memel Statute was fully restored.

The Ambassador requested that any communication from us should be made to Counsellor of Embassy Newton and that the matter should be dealt with in strict secrecy.

V. N[EURATH]

¹ i.e., those sentenced at the Kovno trial; see document No. 13, footnote 1.

No. 378

6606/E496489-92

*Memorandum by the Consul General in Memel*BERLIN, October 23, 1935.
e.o. IV Ba. 5040.

The Führer and Chancellor received me today for a report on the course of the Memel elections and their results. At the very beginning of the interview, which lasted about half an hour, the Führer expressed his special satisfaction over the election results achieved.

The account I gave of the elections was mainly on the lines of the reports which I had submitted. I stated that by successfully concentrating the whole German community and eliminating previous party differences, it had been possible to reduce any loss of Memelland votes to a minimum. On Lithuania's side the large-scale naturalizations and the biased administration of the electoral machinery might have caused a considerable swing away from the United Front [*Einheitsfront*]. These two factors, however, remained without effect, partly in consequence of the simultaneous decline in general sympathy for the Lithuanian régime and partly as a result of the vigilant watch kept over the election events by the foreign journalists who were present. Thus, despite the handicaps which the very complicated new electoral system imposed on the Memellanders' voting generally, the old proportion of twenty-four Memelland seats to five Lithuanian was maintained.

The Führer and Chancellor then asked what conclusions could be drawn from these election results, and whether there were as yet any indications of the Lithuanians drawing them. The latter part of the question I answered in the negative, and replied to the first part that according to the letter of the Statute the automatic consequences of the elections must be the appointment of a Memelland Directorate. Since, moreover, the highly suspect conduct of the Lithuanian officials administering the elections, which had indeed been confirmed by the foreign press, now shed an unfavourable light on the staging and conduct of the Kovno case¹ as well, it might perhaps be demanded and indeed expected of the Lithuanians that they release the men under sentence in the near future. Where a German-Lithuanian arrangement was concerned, these two points, which could to some extent be regarded as inevitable preconditions, would hardly require discussion. The Führer and Chancellor agreed with this.

When, in continuing my report, I mentioned that during the election campaign I had sometimes had difficulty in keeping the enthusiasm

¹ See document No. 13, footnote 1.

of the Memellanders on the correct lines, the Führer and Chancellor voiced the following views: There were two possibilities; one was that of forcing the Signatory Powers, by means of the strongest diplomatic pressure—for instance, by refusing to discuss any other questions for the time being—to make the Lithuanians observe the Memel Statute. This method would probably lead to the appointment of an international Commissioner in the Memel Territory, which would be most undesirable. The second possibility—was that of removing the Memel Territory from Lithuanian rule by force. This way would, however, inevitably lead to the outcry which was at present being raised against Italy being directed elsewhere, i.e., against Germany. He would therefore take neither course, but considered that the right thing for the moment was to continue to treat the Memel question as a “running sore”.

I then remarked that the Lithuanians might in time come to realize after all that the Memel Territory and a certain degree of Lithuanian independence could only be secured by an understanding with Germany, and the Führer and Chancellor wound up by saying that it was quite true that if they persisted in their previous policy—for instance, if they continued to turn towards the Soviet Union—the Lithuanians would lose their independence without even being able to keep the Memel Territory in return. We could even consider discussing this state of affairs with the Lithuanians at some stage, but the Lithuanian Minister here² was not suitable for this purpose.

Respectfully submitted to the Foreign Minister via Senior Counselor Roediger, Ministerialdirektor Köpke and State Secretary von Bülow.

SAUCKEN

² Dr. Jurgis Šaulys.

No. 379

8017/E577004-05

Circular of the Foreign Ministry¹

Cipher Letter

IMMEDIATE

BERLIN, October 25, 1935.

sent: October 26.

zu III O 5069² I.

For information.

Our Ambassador in London evaluates Hoare's speech in the House of Commons as follows:

His statements do not represent a material change in British policy,

¹ Addressees were the Missions in Rome, Paris, Warsaw, Moscow, Washington, Tokyo, Madrid, Ankara, Vienna, Belgrade, Budapest, Bucharest and Athens, the Consulate at Geneva, and the Reich Ministries of Economics and War.

² III O 5069 was London airgram No. 217 of Oct. 23 (8017/E576996-E577003), in which Hoesch reported and commented upon Hoare's speech in the House of Commons on Oct. 22 (for the text see *Parl. Deb., H. of C.*, vol. 305, cols. 17-33); the document here printed is a *précis* of the last two paragraphs of Hoesch's telegram.

which never envisaged independent action against Italy, but they do signify a change of tone which is designed to build a bridge to provide Mussolini with a chance of retreating.

Beyond this, the speech makes apparent Britain's aversion to the rôle of whipper-in of the sanctions Powers. The Government know that they must reckon with constant attempts at sabotage by France, and thus with constant Anglo-French friction, and that it will not be easy to keep the sanctions Powers up to the mark. Britain will not, however, slacken in her pursuit of the sanctions policy as long as the sanctions apparatus is functioning to some extent. But the Government must certainly desire that a solution acceptable to everyone may soon be found, which will then permit the severely shaken relations with Italy and the not undamaged relations with France to be restored to normal.

By order:
DIECKHOFF

No. 380

6147/E460319-21

Memorandum by an Official of Department II

BERLIN, October 25, 1935.

zu II Ung. 837,¹
842.²

In accordance with instructions, I informed Minister von Mackensen, during his stay in Berlin, of the marginal note made on II Ung. 837 by the State Secretary in the Reich Chancellery.³ On the next day (October 23) Herr von Mackensen had a conversation of some length with the Prussian Minister President, who had been present at the conversation between the Führer and Chancellor and Gömbös, the Hungarian Minister President.

Minister President Göring gave Herr von Mackensen a detailed account of this conversation. According to this account, the Hungarian statement in paragraph 3 of the enclosure to II Ung. 837 is, in fact, not correct. The question of the German minority in Hungary was not mentioned at all during the conversation with the Führer and Reich Chancellor.

According to Minister President Göring, exception must also be taken to point 4 of the Hungarian version. The Führer and Chancellor's words in no way justified the assumption that we regarded Yugoslavia as, so to speak, a secondary matter and now no longer attached the same importance to a *détente* between Hungary and Yugoslavia. On the contrary, the Führer had expressly pointed out

¹ Document No. 337.

² Document No. 344.

³ See document No. 337, footnote 1.

that we could not proceed with the large armaments transaction proposed by M Gömbös until the settlement between Hungary and Yugoslavia had come into being.

Herr von Mackensen pointed out to Minister President Göring that the delivery of armaments could hardly be made dependent upon a Hungarian-Yugoslav settlement, since both the Hungarian and the Yugoslav sides would need time to achieve such a settlement. To this Herr Göring replied that the settlement must at least have been set in train.

We, for our part, shall undoubtedly have to ensure that possible German deliveries of arms to Hungary do not cause the Yugoslav Government any displeasure. First of all we must consider whether, from the technical and financial aspects, we could undertake as large a delivery of armaments as M. Gömbös envisages. If we then found that we were, in fact, in a position to make deliveries, which, in view of the range and type of weapons (offensive weapons), were likely to displease the Yugoslavs, we should have to consider what pacificatory steps should be taken in advance in Belgrade.

Herr von Mackensen thought that he might suggest to Gömbös that he give us an appropriate statement on his political intentions *vis-à-vis* Yugoslavia, which, with his concurrence, we could use in Belgrade. Herr von Mackensen pointed out that it could not be a public statement. For reasons of internal policy, Gömbös, he said, would in no circumstances be able to make a public renunciation of his claim for a rectification of the Yugoslav frontier, since he would thus wreck his own position.

Minister von Mackensen emphasized that it would be of great assistance to him if he could be given official confirmation that the attitude of the German Government remained unaltered and that he should continue in his efforts to bring about a settlement between Hungary and Yugoslavia.

LORENZ

No. 381

8468/E595992-95

The State Secretary and Head of the Presidential Chancellery to the Foreign Minister

BERLIN, October 25, 1935.

Received October 26.

II Bel. 1046.

I have the honour to enclose a memorandum on the farewell audience which the retiring Belgian Minister in Berlin, Count de Kerchove, had of the Führer and Chancellor this morning.

MEISSNER

[Enclosure]

MEMORANDUM

BERLIN, October 25, 1935.

The Führer and Chancellor today received the retiring Belgian Minister in Berlin, Count de Kerchove de Denterghem, in a farewell audience.

During the conversation the retiring Belgian Minister thanked the Führer and Chancellor for the kindness which had always been shown him and for the confidence which had been reposed in him. Since the National Socialists had assumed power in Germany the strained relations and disputes still existing between Germany and Belgium had quickly been resolved and had been replaced by a better understanding.

The Führer replied that the object of his policy was to put an end to the strained relations still existing between the nations and bring about a better understanding. All tension, and especially conflicts between individual States, led only to economic disturbance in Europe, which brought only harm to all European States and was of no advantage even to those not directly concerned. It was in this light that Germany also viewed the present conflict in Abyssinia. Although we were indeed in no way involved and completely neutral, we nevertheless regretted the profound unrest to which this conflict had given birth. This unrest would make itself felt particularly in the economic sphere and was therefore unwelcome to us, too.

Count Kerchove agreed with this and then went on to speak of Ambassador von Ribbentrop's visit to Brussels.¹ He could only repeat what the Belgian Minister President had told Herr von Ribbentrop at the time, namely, that Belgium keenly desired to develop her economic relations with Germany. That was also the unanimous wish of political and commercial circles in Belgium. It might perhaps be desirable for Ministerialdirektor Dr. Ritter, who was well versed in such matters, to come to Brussels at some time in order to discuss the technical details of such an undertaking and of a future agreement. It would also be particularly important for there to be a public exchange of political declarations and definitions between Germany and Belgium, to the approximate effect that Belgium would declare that she had assumed no other commitments than those of Locarno, and that Germany for her part would declare (in the same way as she had to France in respect of Alsace-Lorraine²) that she would stand by the Locarno agreements, and that there were no territorial questions at

¹ See document No. 336, footnote 3.

² In a broadcast of Jan. 15, 1935, after the Saar plebiscite, Hitler had stated that "the German Reich will make no further territorial claims on France". Extracts from this speech are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1195-1196.

issue between Germany and Belgium.³ Naturally a suitable moment would have to be chosen for the exchange of such declarations.

The Führer replied: Up to the present we have eased the tension caused by this problem by not speaking of territorial questions at all. Where Eupen-Malmédy is concerned, the position is however different from that over Alsace-Lorraine. Alsace-Lorraine was French before and the result of a plebiscite there might well be uncertain; Eupen-Malmédy, however, has been cut off from the German Reich for the first time in history and its population is purely German. It is far better not to speak of these matters at all. There are certain national questions [*Fragen des Volkstums*] which simply cannot be solved by territorial means. As far as Locarno is concerned, we have always declared that we recognize it as a means of pacification and that we stand by the Treaty.

Count Kerchové replied in conclusion that it would be desirable for Germany to define this point of view and announce it publicly in exchange for corresponding declarations by the Belgian Government. He then thanked the Führer and Chancellor once again for all the kindness shown to him and for the friendly treatment he had met with at the hands of the German authorities during his stay in Berlin.

The Führer presented the retiring Minister with a signed photograph of himself in a silver frame as a memento.⁴

MEISSNER

³ Marginal note in Neurath's handwriting: "Eupen!"

⁴ Copies of the enclosure were transmitted to the Missions in Paris, London, Rome and Brussels under cover of despatch II Bel. 1046 of Nov. 4 (8468/E595998).

No. 382

8023/E577499

Memorandum by the Director of Department III

BERLIN, October 28, 1935.

zu III O 5066.¹

Today I discussed with the State Secretary and with Ministerialdirektor Köpke the question of whether the communication of October 21 from Vasconcellos² should not at least be answered by means of a courteous letter of acknowledgement from our Consul in Geneva. The State Secretary, however, was of the opinion that a mere letter of acknowledgement from the Consul, without any actual statement of views by the German Government, would appear odd. The question of whether an expression of Germany's views will be

¹ III O 5066 was the registry number under which the preliminary stenographic record of the 15th, 16th and 17th plenary meetings of the League Assembly, of Oct. 10 and 11, was filed. For the texts see League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly* (Special Supplement No. 138), pp. 102-133.

² See document No. 364, footnote 7.

made public by the German Government is not yet clarified. In the State Secretary's opinion it can at earliest be decided on November 1, when the Foreign Minister reports to the Führer and Chancellor.³ We were doubtful, however, as to whether this expression of views could then still take the terse form of our proposal,⁴ now that the American Government have stated their attitude so fully.⁵

Instructions to our Missions on language to be held are in the meantime not possible.

D[IECKHOFF]

³ No record of such an interview has been found.

⁴ The reference here is evidently to the draft DNB bulletin (3242/712402-03), initialled by Bülow on Oct. 23, which was annexed to an unsigned and undated memorandum entitled "The Geneva Sanctions Decisions" (3242/712388-401).

⁵ For the text of the American reply of Oct. 26 to the President of the Coordination Committee see *Foreign Relations of the United States, 1935*, vol. 1, pp. 852-854.

No. 383

6025/H047338-40

Ambassador Schulenburg to State Secretary Bülow

Moscow, October 28, 1935.

IV Ru. 4404.

DEAR HERR VON BÜLOW: Enclosed I am sending you a short minute written by Herr von Twardowski, recording a conversation with the number two in the Red Army.

I myself, too, and all of us were struck by the marked friendliness displayed by the representatives of the Red Army that evening. We are as yet unable to give reasons for their attitude but it can hardly have been pure coincidence.

With cordial greetings and with Heil Hitler!

I remain, dear Herr von Bülow,

Yours, etc.,

F. W. SCHULENBURG

[Enclosure]

Moscow, October 28, 1935.

The farewell reception given for me¹ by the Ambassador on the 26th of this month was attended, amongst others, by the Deputy Commissar for War, Tukhachevsky. This was the first time since the national revolution that Tukhachevsky had entered the house of a German. I had about an hour's conversation with him, with General Koestring² joining in from time to time. Tukhachevsky was unusually frank and cordial. He emphasized that General Koestring was *cordially* welcome to the Red Army and observed that even today

¹ Counsellor of Embassy F. von Twardowski returned to Berlin to become Deputy Director of Department VI (the Cultural Policy Department) of the Foreign Ministry.

² German Military Attaché in Moscow.

the Red Army still felt great sympathy for the Reichswehr. His remarks were full of the greatest respect for the German Army, its officer corps and its organizational capacity, which led him to express the view that the new German Reich Army would be fully prepared for war already this year, or at latest next year. To my disclaimer, he replied that Germany had all the requirements: the military spirit, intelligence, the best technical industry and organizational capacity. By contrast, Russia's potentialities were much smaller. The Soviet Union had to build *everything* anew and could therefore only expand slowly. But if it should come to war between Germany and the Soviet Union, which would be an appalling misfortune for both nations, Germany would no longer be confronted with the old Russia; the Red Army had learned a great deal and done a great deal of work. He remarked several times that he was sorry that Germany and the Soviet Union were not working together. The two countries could very well complement each other economically and they had no territorial issues in dispute; he then added: "If Germany and the Soviet Union still had the same friendly political relations they used to have, they would now be in a position to dictate peace to the world. But we are Communists and you must not forget that we wish to remain, and will remain, Communists. Even though a different ideology is preferred in Germany, that ought not to present any obstacle to our cooperation." He himself was only a soldier and knew nothing about politics, but he cherished the profound hope that Germany and the Soviet Union would come together again.

I may add that, after Voroshilov, Tukhachevsky is regarded as the most influential man in the Red Army and is in general reputed to be pro-French.

Submitted herewith to the Ambassador.

V. TWARDOWSKI

No. 384

5669/H015502-03

Counsellor Rintelen to Ambassador Köster

BERLIN, October 29, 1935.
e.o. II Fr. 3760.

DEAR HERR KÖSTER: I have just learned that you have already returned to Paris¹ and I would consequently like quickly to send you by today's courier, for your personal and strictly confidential information, a few lines about the press reports on the reception of M. de Brinon² by the Führer and Chancellor.

De Brinon was received on October 18 and the interview lasted

¹ Köster was on leave Oct. 1-28, 1935.

² Count Fernand de Brinon, foreign editor of *L'Information*.

about half an hour. M. de Brinon emphasized at the outset that immediately before his departure he had been received by M. Laval, despite the latter's being so heavily engaged owing to the discussions with Britain and Italy; M. Laval would much welcome it if he were afforded an early opportunity for a useful conversation with Germany (Brinon's actual words were: "*d'avoir l'occasion d'une conversation utile*"). The Führer and Chancellor, however, did not take this suggestion up, but rather spoke of the gravity of the general political situation and also stated in this connection that the good wishes of every statesman must accompany M. Laval in his endeavours to find a solution to the conflict. An extension of the conflict could be desired by no one except perhaps the Soviet Russians who wished to cause unrest in Europe. As far as Germany was concerned, we would keep out of the conflict altogether; perhaps it might yet prove useful for one of the European Great Powers to be in no way burdened with partizanship. From the above account which I was given of the conversation you will easily be able to see what corrections should be made to the quotation of particular statements given in *L'Ordre* of October 27. I enclose herewith the DNB telegrams³ which we have received and which deal with the misrepresentations of the Führer's statements in *L'Ordre*.

I also learn that M. de Brinon, after his reception by the Führer and Chancellor, is alleged to have spoken here of a visit to Paris by Herr von Ribbentrop, but that he received no promise of any kind in reply to this. At present a visit of this nature does not appear to be likely.⁴

R[INTELEN]

³ Not printed (5669/H015504-10).

⁴ After despatch of the document here printed, the draft was circulated for information to Köpke, Bülow and Neurath, who initialled it on Oct. 30.

No. 385

9590/E676185-88

*Circular of the Foreign Ministry*¹

BERLIN, October 30, 1935.

[zu] II Balk. 2511 R.²

2514 R.³ Ang. I.

With reference to the memorandum II Balk. 1710 R. (despatch of July 22, 1935).⁴

¹ Addressees were the Missions in Moscow, Warsaw, Paris, Ankara, Rome, London, Bucharest, Budapest, Prague, Belgrade, Sofia, Berne and the Consulate at Geneva, to whom this circular was despatched on various dates between Oct. 31 and Nov. 11.

² Not printed (9590/E676177-78); this is a memorandum of Oct. 18 by Renthe-Fink recording a conversation with the Hungarian Chargé d'Affaires.

³ Document No. 353.

⁴ Not printed (9590/E676079-90),

Reports of negotiations between Soviet Russia and Rumania for the conclusion of a pact within the framework of the Soviet Russian system of alliances have recently increased. The overall picture, however, still remains full of contradictions.

We have been informed from Italian and Hungarian sources that in the conversations between Litvinov and Titulescu in Geneva on the subject of this pact considerable progress was made.⁵ These conversations were concerned not only with a Rumanian undertaking passively to tolerate the passage of Soviet troops on their way to Czechoslovakia, but also with an assistance pact with mutual military obligations. At the same time there reached us a different version, namely that Rumania would only agree to the passage of Soviet troops in the event of Czechoslovakia's being attacked, not only by Germany, but also by Hungary, that is to say, a case where Rumania would already be obliged, by reason of the Little Entente alliance system, to afford assistance to Czechoslovakia.

On the other hand, both the Rumanian and the Russian parties continue categorically to deny any negotiations of the sort. The text of such a *démenti* issued only recently, on October 15, by the Rumanian Government, is attached.⁶ *A propos* of this *démenti* and referring to what it states, the Rumanian Minister here, on the authority of the most recent direct information and instructions received from his Foreign Minister, informed the Foreign Ministry⁷ quite categorically, in amplification, that Titulescu would never conclude an agreement with Russia which he would not be able and willing to conclude at once and without reservations with Germany.

All these *démentis* and official statements cannot, however, obscure the fact that detailed negotiations on a pact have indeed taken place between Litvinov and Titulescu. The *démenti* of October 15 referred to above was obviously designed by the Rumanian Government primarily to pacify those at home who were opposed to a pact of this kind with Soviet Russia. It is known that not only the parties of the Right under the leadership of Cuza and Goga, but also the Old Liberals and a portion of the National Tsaranists [Peasants] under Vaida-Voevod are most profoundly opposed to any extension of relations with Soviet Russia. The Liberal wing represented by Gheorghe Bratianu, too, reject any closer bond with Russia. The Chamber has before it an interpellation by him describing in vivid detail all the dangers an alliance or a similar treaty with Russia would entail. In addition, Titulescu's russophile plans are meeting with energetic

⁵ In a memorandum of Oct. 19 (9590/E676190) Bülow recorded that the Italian Ambassador had read out to him a telegram to this effect from his colleague in Bucharest. Similar information is contained in the document cited in footnote 2 above.

⁶ See document No. 353 and footnote 16 thereto.

⁷ See document No. 362.

opposition from the King, who is being supported in this opposition by the General Staff.

We must not, therefore, allow ourselves to be deflected from our watchfulness by these Rumanian and Soviet Russian attempts at denial. It is quite possible that these manoeuvres are merely a cover to enable Titulescu and Litvinov to continue their negotiations quietly and undisturbed. That Titulescu would abandon his plan to reach contractual agreements with Soviet Russia simply on account of the opposition which has made itself felt both inside and outside his own country, is something one cannot assume, when one remembers the extent to which Titulescu supported the realization of the Franco-Soviet Russian and Czechoslovak-Soviet Russian mutual assistance system. It seems to us that the only question is whether he will find some formula which will enable him to draw up an agreement with Soviet Russia which, in view of the above-mentioned opposition inside Rumania, will, in the first place, be acceptable to the King and the Rumanian General Staff, and, in addition, will be compatible with Rumania's position in international affairs. It is significant that the Russian Ambassador here himself recently admitted quite casually that Titulescu still proposed to visit Moscow in the fairly near future.⁸ It is obvious that the only object of such a journey could be the conclusion or confirmation of agreements of some kind with Russia.

By order:
K[ÖPKE]

⁸ No record of this conversation has been found.

[EDITORS' NOTE: In the summer of 1935, the Foreign Ministry decided to send an unofficial Economic Study Mission to visit Far Eastern countries to give German diplomatic and commercial representatives oral information on German trade policy and the new import and export procedures, and to discuss the possibilities of extending German trade. The telegram of Sept. 18 (8987/E630293-94) announcing this to Tokyo emphasized that any discussions involving Manchukuo did not mean any change in the German attitude to the question of recognition. The Mission, consisting of Minister Kiep and Secretary of Legation Knoll, joined by Herr Rosenbruch of the Reichsbank, arrived in Tokyo on Oct. 30, where discussions were held on trade relations and on the possibility of increasing German soya bean imports from Manchukuo. In December the Mission visited Hsinking and negotiated a draft German-Manchukuo Trade Agreement. The Agreement itself (9076/E637292-99) was signed in Tokyo on April 30, 1936. Material on the negotiations has been filmed on Serials 7072, 8987, 8991, 8992 and 9075.]

No. 386

9375/E664290

Memorandum by an Official of Department II

BERLIN, November 1, 1935.

e.o. W IV Ru. 4403.

On October 30 last a conversation took place between the President of the Reichsbank, Dr. Schacht, and the Head of the Soviet Trade Delegation in Berlin, M. Kandelaki, about the application of the German-Russian Agreement of April 9 last¹ and the future shaping of German-Russian commercial relations.

Dr. Schacht demanded that the Russian obligations to Germany falling due in 1936 and amounting to approximately 60 million RM should be met in gold or foreign exchange.

Dr. Schacht said he was prepared to accept imports of such Russian raw materials as Germany required in the largest possible quantities in 1936, if commensurate Russian orders with short-term credits were placed in Germany.

Dr. Schacht finally stated that, if agreement could be reached on the above two points, he would also be prepared to grant the Soviet Union long-term credits for additional orders placed in Germany. He would be prepared to be most accommodating in respect of the amount of the credits and their duration.

M. Kandelaki left for Moscow that same day, in order to consult with his Government. He proposes to return to Berlin in about ten days' time.

BRÄUTIGAM

¹ See document No. 21.

No. 387

6025/H047341-42

Minute by an Official of Department II

BERLIN, November 1, 1935.

e.o. W. IV Ru. 4404.

The friendly attitude of the representatives of the Red Army towards Germany, to which the Ambassador, Count von der Schulenburg, drew attention in his letter of October 28,¹ may, amongst other things, perhaps be attributed to the following factors:

The Soviet Government are anxious to purchase from Germany, within the scope of the 200 million transaction, a fairly considerable amount of goods for military purposes; thus *inter alia* they are en-

¹ Document No. 383.

deavouring to obtain accumulators for submarines, "automatic pilots" (apparatus for automatic piloting of aircraft), television sets, apparatus for the remote control of vessels, and apparatus for manufacturing mirrors for searchlights with a diameter of $1\frac{1}{2}$ metres. Here the Russians have come up against the opposition of the Reich War Ministry. The degree of importance which the Russians attach to obtaining the material mentioned above emerges from the fact that influential persons in the Soviet Embassy here and in their Trade Delegation have let pass no opportunity of requesting the assistance of the Foreign Ministry or the Reich Ministry of Economics in obtaining authorization for these supplies. Finally the Head of the Soviet Trade Delegation, M. Kandelaki, personally went to [Reichsbank] President Schacht and requested his assistance with the Reich War Ministry. President Schacht has refused this. It may now be thought on the Russian side that they can make use of the old links between the Red Army and the German Army to achieve their objects.

Submitted herewith to Senior Counsellor Roediger.²

BRÄUTIGAM

² The text of the second paragraph of the document here printed was incorporated verbatim in a letter from Roediger to Schulenburg of Nov. 8 (6025/H047343-44).

No. 388

2784/540442

Memorandum by the Foreign Minister

BERLIN, November 2, 1935.

RM 827.

I asked the Italian Ambassador to call on me today and drew his attention to the persistent rumours that the Italian Delegation in Geneva were continuing to represent Germany as the greatest danger in Europe—clearly in order thus to prevent Anglo-French cooperation against Italy. I told the Ambassador that I thought it essential to establish incontestably the truth or otherwise of these rumours, lest we gain the firm impression that Italy was rewarding our strict neutrality with a campaign of agitation against Germany.

The Ambassador replied that he would without fail pass on my statement to Rome. He had already, of his own accord, pointed out only a few days ago, so he told me, that the Italian press must cease to conjure up the German danger on the Brenner, whereupon he had been informed by Rome that instructions to this effect had been issued to the press.

V. N[EURATH]

No. 389

8016/E576601-02

The Consul at Geneva to the Foreign Ministry

No. 1596

GENEVA, November 2, 1935.

Received November 4.

III O 5318.

Subject: Conversation with the President of the Sanctions Conference about the German attitude to the sanctions question.

I utilized a chance encounter with the President of the Sanctions Conference, Senhor Vasconcellos, to discuss with him, as instructed,¹ the German attitude to the sanctions question. Regarding the formal treatment of the matter I informed Senhor Vasconcellos that it had not yet been decided in what form the German Government would define their attitude. As far as the *de facto* German attitude was concerned I stated briefly that, in accordance with the Führer and Chancellor's previous declarations, Germany did not wish to be drawn into the Abyssinian conflict in any way and would therefore not side with either party. For this reason it was indeed not proposed to view the situation as an opportunity for obtaining special economic advantages. I further pointed out that the export of arms and munitions to both belligerents was prohibited and that in other respects economic relations with both belligerent countries were being continued on a normal basis.

Senhor Vasconcellos showed complete understanding both for the formal and for the *de facto* German attitude and described it as "fair play".²

Reports from Geneva appearing in the press and dated October 31 and November 1 (cf. *Le Temps* and the *Neue Zürcher Zeitung*) on statements on Germany's attitude in the sanctions question, allegedly made by an authoritative German source, were not based on any remarks of mine, as I only arrived in Geneva on October 31 and had my first conversation on this matter today.

KRAUEL

¹ No record of such instructions to Krauel has been found.

² In English in the original.

No. 390

5643/H000725

The Embassy in Poland to the Foreign Ministry

Telegram

No. 59 of November 4

WARSAW, November 4, 1935—2:00 p.m.

Received November 4—3:35 p.m.

With reference to our telegram No. 58 of November 1.¹

During the negotiations of the last few days the difficulties listed in our previous telegram¹ have been gradually eliminated and solved in a satisfactory manner. The last official session took place yesterday evening, when the two delegation leaders signed a Protocol² which, in the event of Danzig participating, fully guarantees the Gulden for the purpose of transacting payments into and out of the territory of the Free City of Danzig.

Signature will take place in the Foreign Ministry this evening.³ Provisional entry into force on November 20.

Regierungsrat Ter Nedden will bring the Treaty and make an oral report. The delegation departs this evening for Riga.

HEMMEN
MOLTKE

¹ Not printed (5643/H000728-29). For the previous negotiations see documents Nos. 217 and 271, and document No. 301 with footnotes 2 and 5 thereto.

² Not printed (M233/M007932).

³ There were signed in Warsaw on Nov. 4: (i) An Economic Treaty between Germany and Poland, with Protocols and exchanges of Notes (for the published text see *Reichsgesetzblatt*, 1935, Pt. II, pp. 768-809; a secret Protocol and exchange of Notes has been filmed as 9202/E647272-76); (ii) A Commercial Payments Agreement (for the text see *Reichsgesetzblatt*, 1935, Pt. II, pp. 810-813) with confidential Protocol and unpublished exchange of Notes (9202/E647314-20); (iii) A secret Trade Agreement [*Warenabkommen*] (9202/E647277-313). The Treaty and Agreements were to be valid until Oct. 31, 1936, and were renewable; they came into force provisionally from Nov. 20, 1935 (see *Reichsgesetzblatt*, 1935, Pt. II, p. 767). Ratifications were exchanged on Nov. 19, 1936 (see *ibid.*, 1936, Pt. II, p. 362). Under the provisions of the secret Trade Agreement German-Polish trade was to be at the ratio of 1:1 at the level of 83 million RM (176 million Zloty) and trade resulting from the German-Polish agreement on Upper Silesia (see document No. 53, footnote 4) was to be included in the ratio 1:1 for the time being.

No. 391

6147/E460322-323

The Director of Department II to the Legation in Hungary

Telegram

IMMEDIATE

BERLIN, November 4, 1935—8:35 p.m.

SECRET

[zu] II Ung. 837.¹

No. 86

842.²

Drafting Officer: Counsellor Lorenz.

With reference to the Minister's conversation at the Foreign Ministry on October 24,³

Consultation with the Reich War Ministry has confirmed that in their opinion, too, the Hungarian arms transaction is a long-term transaction, and one which should be treated with great caution. This caution should also be extended to the choice of goods to be supplied. The carrying out of German deliveries would be entrusted to a German consortium under the direction of Rheinmetall. Geheimrat Wessig, of Rheinmetall, is coming at once to Budapest to ascertain details of Hungary's requirements; he has been instructed to maintain extreme reserve in his conversations.⁴

For the present, sufficient precautions appear to have been taken to ensure that this tricky affair develops along lines politically acceptable to us, particularly in view of the impression on Belgrade. In this respect, and with the concurrence of the Foreign Minister and the State Secretary, I can confirm that, in accordance with our previous political attitude, we still consider a Hungarian-Yugoslav settlement desirable.⁵

KÖPKE

¹ Document No. 337.² Document No. 344.³ See document No. 380.⁴ No records of Wessig's negotiations have been found. The next exchanges at a Governmental level of which records have been found took place during and after Göring's visit to Budapest for the funeral of Gömbös in October 1936; see vols. v and vi of this Series.⁵ Typewritten marginal note: "Minister v. Mackensen rang up today and asked that these instructions be telegraphed to him as he needed them for a conversation on Nov. 6. On Nov. 8 he will be in Munich. G[heim]rat Wessig proposes, as Counsellor v. Schmieden has ascertained, to leave for Budapest on Nov. 10."

No. 392

2945/576020-21

Memorandum by the Foreign Minister

BERLIN, November 4, 1935.

RM 830.

The Polish Ambassador called on me today. After a few introductory remarks about the reconstruction of the Government in Poland, ending with the assurance that there would be no change in Poland's foreign policy and that the rumours that Beck was resigning were groundless, the Ambassador came to the reason for his visit.

In forcible terms he described the difficulties which the Polish Government, and especially the Ministry of Finance and the Ministry of Railways, were encountering in consequence of Germany's railway debts. On November 3 these amounted to 42 million Zloty or 18 million Marks. In the budget to be presented by the Polish Government today, which was expressly an economy budget and which contained what were to some extent Draconian economy measures, the above-mentioned 42 million Zloty had had to be included as an asset. In view of the difficult financial situation in which the Polish Government found themselves, they could not permit this railway debt of Germany's to remain unpaid any longer. He had therefore been instructed to make representations to us to ensure that the 42 million Zloty were now paid with all speed. When I replied that we had for months been trying to enter into discussions with the Polish Government in order to find a way out of this situation, which was an awkward one for us too, but that the Poles had always evaded such discussion, the Ambassador said that he had made every effort to find a solution with the competent authorities in Warsaw. The outcome of his most recent discussions had been that Warsaw would be prepared to allow payment of the freight charges for the coming year to be deferred by means of a credit to be granted to the Reichsbank by the Polish State Bank, and, at the same time, to try to eliminate them altogether in future by means of a triangular arrangement in respect of German-Polish-Russian trade. A precondition was, however, that the 42 million debt which had accumulated should be paid at once.

In reply I told the Ambassador that I could not be the judge of his proposals. I would, however, submit them to Herr Schacht, and would also inform him of the Ambassador's request for immediate payment of the 42 millions. But, without wishing to forestall Herr Schacht, I felt obliged to tell him at once that I did not know how Herr Schacht could pay the 42 million Zloty.

The Ambassador repeatedly stressed that these railway debts

constituted a serious strain on German-Polish relations, not least in the political sphere. He requested a reply as soon as possible.

V. N[EURATH]

No. 393

9590/E676216-17

Memorandum by the Director of Department II

BERLIN, November 4, 1935.

II Balk. 2685 R.

Dr. Helmut von Cramon, whose friendship with the King of Rumania dates from their service together in the 1st Guards Regiment in Potsdam, was recently invited once again by the latter to stay at Sinaia. I asked Herr von Cramon, whom I came to know well during the war, if possible to find out during his visit to Sinaia what King Carol's personal views on Titulescu's Rumanian-Russian pact ideas really were.

Herr von Cramon came to see me today after his return from Sinaia, and gave me the attached memorandum¹ on his conversation with the King on October 28 of this year.

According to this memorandum, Herr von Cramon learned nothing directly from the King about the Russian question, which is what interests us most. What Herr von Cramon did hear about this comes from the Prince of Hohenzollern,² who was a guest at Sinaia at the same time as he. He [Cramon] repeated this information to our Military Attaché, Colonel Tschunke, who in turn informed Herr von Stein³ in Prague. The report that the Rumanian Government "would steer an opposite course and that there would no longer be any question of a Rumanian-Russian military agreement" thus comes from the same source via Herr von Cramon.⁴ The latter reported, likewise on the basis of statements by the Prince of Hohenzollern, that the important communiqué,⁵ in which the Rumanian Government most emphatically denied allegations about their Russian policy, had been discussed and decided at a Council of Ministers under the chairmanship of the King which took place in the royal train during their return to Bucharest after the manoeuvres. It was not known whether Titulescu's views had been obtained beforehand, but it was a fact that Titulescu had accepted the communiqué without making any objections or even taking any counter measures.

KÖPKE

¹ Not printed (9590/E676218-19).

² See also document No. 353 and footnote 3 thereto. Similar information as to King Carol's views, derived from the Prince of Hohenzollern, was reported by Papen in despatch No. 2644 of Nov. 11 (6081/E451332-35).

³ Counsellor of the German Legation in Czechoslovakia.

⁴ This quotation is from an extract (9590/E676220) from a letter dated Nov. 1 from Stein to Renthe-Fink.

⁵ Of Oct. 15; see document No. 353 and footnote 16 thereto.

No. 394

8023/E577527-29

Memorandum by the State Secretary

BERLIN, November 6, 1935.

Consul Krauel rang me up today at 12:45 p.m. and informed me that this afternoon the appropriate committee would discuss the imposition of quotas for those raw materials etc. which were subject to sanctions, in respect of States not taking part in these sanctions, with the aim of preventing Italy from being supplied by third countries.¹ The American representative,² being disquieted about the impending resolutions, had called on him and had told him that he had asked his Government for authority to state that America would not permit deliveries made by her to exceed the quantities she had hitherto supplied and that she was prepared to publish her export figures.³ Wilson had high hopes of this statement which it was proposed to make to the Sanctions Committee; he even hoped to be able to prevent, or at least to postpone, the adoption of a resolution. For his own information, and in order to be able to exert further pressure on the Sanctions Committee, he asked Herr Krauel to inform him as to our views. He (Krauel) had thereupon told Wilson the familiar tale which he has also recited to Vasconcellos,⁴ namely, that we did not wish to derive any economic advantages whatsoever from the sanctions crisis, and so on. The American Minister had then said that that would not suffice; it would make no impression on the Sanctions Committee. He asked whether we would be willing and able to define our attitude more precisely, by issuing an official statement, including our views on the raw materials that came under the sanctions? Herr Krauel submitted this question to me.

I told Herr Krauel (bearing in mind this morning's conference)⁵ that an official statement of the kind suggested by Wilson was not possible at present, and could not be made for a week or more at least, if at all; it would therefore not affect the deliberations due to be held this afternoon. Nor could we allow our decisions to be influenced by the proceedings in Geneva. Moreover, the situation presented itself quite differently to us than to the Sanctions Powers and the United States. We could not but observe that the Sanctions Powers and

¹ The Committee of Eighteen met at Geneva on Nov. 6, at 6 p.m., when it received a statement by the Secretary of the Co-ordinating Committee concerning certain information relating to Germany which had been communicated orally to the Secretariat. For this statement see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 146), p. 47.

² Hugh R. Wilson, United States Minister in Switzerland.

³ See *Foreign Relations of the United States, 1935*, vol. I, pp. 857-858.

⁴ See document No. 389.

⁵ The reference is uncertain but presumably relates to the conference in the Foreign Ministry of Nov. 6 referred to in document No. 395.

those Powers who, like Austria, were participating not at all or only partially in sanctions, had made panic purchases and concluded profiteering deals which were detrimental to us. We were beginning to suffer from the indirect effects of sanctions, and that partly in respect of goods that were not on the sanctions list, such as butter, margarine, meat and eggs. We were faced with having to decide whether to take defensive measures against these purchases, which were undesirable for us, and we might, possibly even within the next few days, decree export embargos or enforce a quota system, which in themselves would have nothing to do with sanctions and would not in every case relate to the same goods, but would, nevertheless, ultimately have been brought about by the sanctions policy of the League of Nations. I said he was authorized to tell Wilson this as being his own private information from Berlin and to leave it to Wilson to make use of this information, for it was at least as desirable for us as it was for America that no resolution, or only quite imprecise resolutions, should be adopted this afternoon. This could perhaps be achieved by representing the situation as being very much more confused than it seemed, at first sight, to be to the delegates at Geneva.

Herr Krauel, to whom the above line of thought was at first new and strange, fully appreciated the possibilities thus offered and hoped by these means to be able to do something towards achieving the desired effect. He asked whether he was also authorized to inform the British of this position. I replied in the negative and explained that whatever happened we must try to avoid negotiations between one Government and another about participation or non-participation in sanctions, quotas on imports into Germany, and the like. We must, at any rate, try to postpone such negotiations. Seeing that Herr Krauel would have an opportunity, when answering questions by Avenol⁶ and Walters, to tell our story about not wishing to derive any advantages from the crisis, I authorized him to give Walters, too, if necessary, the above information about the reasons why we needed to protect ourselves against certain repercussions of the sanctions policy.

BÜLOW

⁶ J. A. Avenol, Secretary General of the League of Nations.

[EDITORS' NOTE: The Export Consortium for War Material [*Ausfuhrergemeinschaft für Kriegsgerät*]: According to correspondence with the Reich Federation of Industry [*Reichsgruppe Industrie*] which the Reich Ministry of Economics sent to the Foreign Ministry on Aug. 21 (5560/E396380-86) the previously existing Bureau for Industrial Disarmament [*Geschäftsstelle für Industrieabrüstung* (GEFIA)] was unanimously dissolved on Aug. 16 by its members who voted in

favour of setting up the AGK, as had been agreed at a conference in the Reich Ministry of Economics on Aug. 7. (See also document No. 168, footnote 3.) Its draft constitution, as proposed on Aug. 16, stated that it was a voluntary association of German industrial concerns producing war material and that its function was the promotion of the export of war material, the elimination of price cutting and the distribution of large orders. A later draft of the AGK's constitution, in which the AGK was also given the duty of ensuring that legal regulations were adhered to in connection with the export of armaments, and in which its members undertook only to export war material when a clearance certificate [*Unbedenklichkeitsbescheinigung*] had been issued by the AGK, was discussed at a meeting between representatives of the Reich Federation of Industry, the Reich War Ministry, the Reich Ministry of Economics and the Foreign Ministry on Oct. 30 (5560/E396437-45). A note by Schmieden of Oct. 31 on this meeting (5560/E396446) states that commercial and banking circles would be informed of the existence of the AGK, and that the AGK would embark on its functions as soon as this was done; until the promulgation of the new law on the import and export of war material, exports would be regulated by means of clearance certificates issued by the AGK. See document No. 395.]

No. 395

8023/E577530-32

Memorandum by an Official of Department II

BERLIN, November 6, 1935.

e.o. II M 2537.

On the basis of today's conference with the State Secretary,¹ I called this morning on Ministerialdirektor Ernst of the Reich Finance Ministry, who informed me of the present customs procedure for the export of war material, especially to Italy and Abyssinia. Herr Ernst was of course already aware that the secret procedure for exporting war materials, which has existed for some time and which was originally confined to one customs office but later extended to six,² has recently been further facilitated by the fact that the clearance certificates [*Unbedenklichkeitserklärungen*], which have so far been issued by the Reich War Minister, will in future be issued by the new Export Consortium for War Material (AGK)³ on behalf of the Reich War Ministry. He expressed the opinion, however, that in spite of this facilitation it was urgently necessary to promulgate the new law on the import and export of war material as quickly as poss-

¹ No record of this conference has been found.

² See document No. 116.

³ See Editors' Note above.

ible.⁴ The export of arms was now growing larger, so that more and more customs offices would have to be concerned with it. He could not, however, tell the customs officials that the Law on War Material⁵ had been simply set aside if it had not been formally rescinded, as the officials were in duty bound strictly to observe the law and had been trained to do so.

On the question as to what quantities of arms and war material actually destined for Italy or Abyssinia had recently passed through the customs offices, an expert sent for by Herr Ernst informed me that in fact only one fairly large consignment of arms and ammunition for Abyssinia to the value of 1.2 million Marks was involved; a vessel had been sent to Norway with this cargo and would sail from there to Belgium, where it would take on an extra cargo from Belgium. Only from there would the material go to Abyssinia. Apart from this, only a few small quantities of ammunition, prototypes of weapons, and the like, had occasionally been exported to Abyssinia. No deliveries of this kind had been made to Italy via the customs offices. Ministerialdirektor Ernst emphasized, however, that some firms might have exported under a false declaration without the customs offices having noticed it.

For the rest, Ministerialdirektor Ernst was of the opinion that, as discussed this morning with the State Secretary, we should issue general orders prohibiting the export of those goods which we must keep in the country in our own interests; we could begin with goods such as butter, margarine, etc., and then go on to those raw materials which occur in the Geneva list of sanctions (tin, etc.).⁶ In connection with this we should then, in his view, promulgate the law on the import and export of war material,⁷ together with a DNB announcement that no export licences would be given for the export of arms and war material to Italy and Abyssinia.⁸ To my question as to whether he thought that these measures could be taken without a decision by the Führer and Reich Chancellor, Ministerialdirektor Ernst replied that he personally was of the opinion that such a decision would have to be obtained.

FROHWEIN

⁴ See document No. 279 and footnote 5 thereto.

⁵ See document No. 116, footnote 1.

⁶ See League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 145), pp. 24-25.

⁷ See document No. 402 and footnote 3 thereto.

⁸ See document No. 397, footnote 4.

No. 396

8023/E577523-26

The Consul at Geneva to the Foreign Ministry

Telegram

No. 132 of November 6

GENEVA, November 7, 1935—1:00 a.m.

Received November 7—4:55 a.m.

III O 5376.

From information received about French and, to some extent also, British proposals in the Transit [Sub-] Committee,¹ it was to be feared that the Committee of Eighteen would adopt resolutions unfavourable to Germany concerning the imposition of quotas on the import of products important for the conduct of war into non-Member or non-participating States, in order to prevent re-export to Italy. Consequently I got in touch with Minister Wilson this morning in order to learn his views on the present position. Mr. Wilson told me that the proposed resolutions would be inconvenient to the United States of America and that he had therefore telephoned to his Government in order to obtain statements from Washington to prevent the adoption of such resolutions on the quota question or to render them harmless to the United States of America. Wilson had proposed to his Government that they should state that the United States of America would publish weekly lists of shipments of products important for the conduct of war, in order to be able to keep a close check on such shipments and to take legislative action against them if a considerable increase in shipments should prove to have occurred. Wilson expressly emphasized that the information about the proposed *publication* of such lists was strictly confidential and requested me also to state this in my reports. Moreover, Mr. Wilson thought it possible that the United States would issue a statement that petroleum exports would not be increased above the present level.

Following on this, Wilson asked me whether a declaration of any sort about our attitude to the sanctions question was to be expected from Germany. Thereupon I informed Wilson, as instructed, in the same sense as I had Senhor Vasconcellos (cf. report 1570 [*sic*] of November 2),² and added that I had also had the opportunity of informing the Secretary General and Mr. Walters of this German attitude.

As Minister Wilson shared my opinion that the previous statements and information about the attitude of Germany and the United States

¹ A sub-committee set up by the Committee of Eighteen's Sub-Committee on Economic Measures, which drew up the draft resolution on indirect supply, adopted on Nov. 6, with certain amendments, by the Committee of Eighteen as Proposal IV (b). (See League of Nations: *Official Journal*, *Dispute between Ethiopia and Italy* (Special Supplement No. 147), pp. 46-51.)

² Should read report 1596 of Nov. 2 (document No. 389).

to the sanctions question would not suffice to prevent the Sanctions Conference from adopting resolutions on the quota question which would be unfavourable to both States, I reported on the situation to State Secretary Bülow by telephone.³ On the basis of the instructions then given me, I informed Messrs. Walters and Wilson at about 1 p.m. as follows: A formal German reply to the communication of the President of the Sanctions Conference was not to be expected in the near future. All Governments concerned were informed of Germany's *de facto* attitude in the Abyssinian conflict and especially regarding our intention not to derive any economic advantages from the state of war. In order further to clarify the German attitude on this question, I could, however, state that the German Government had been troubled by the fact that private and in particular foreign quarters had recently effected purchases in Germany of a number of products important to the belligerent countries. Since it was suspected in Germany that the object of these purchases and of the export of such products to third countries, which had also been observed, was to export the goods to the belligerent countries, the German Government intended, within the next few days, to promulgate a series of laws under which the purchase and export of a number of such products would be supervised and if necessary prohibited. This legislation would extend not only to war material proper, but also to a number of other products such as, for example, foodstuffs, and be designed to prevent all exports above the level of normal trade relations and thus as far as possible all war profiteering.

Upon both Mr. Walters' and Mr. Wilson's enquiring as to the form in which they could make use of this information, they were told that they could make use of it in any way which they might think fit, but it was expressly pointed out that this was not a communication from the German Government to the Sanctions Conference or to the League of Nations.

Mr. Walters then made use of this information in an entirely correct manner, so that at the beginning of the afternoon session the delegates were informed of the German attitude, without an official German declaration on the matter having been made. In the communiqué on the Committee of Eighteen's deliberations on the transit question there merely appears the following passage: "The Committee of Eighteen has been informed that, according to information reaching the Secretariat, the German Government, observing that certain persons are at present purchasing goods in Germany with the probable intention of reselling them to the belligerents at a large profit, propose to decree in the near future measures designed to prevent such speculation."⁴ None the less, the German information had entirely

³ See document No. 394.

⁴ The passage in quotation marks is in French in the original.

the desired effect and in the course of the deliberations in the various committees during the afternoon the form given to the resolution of the Transit [Sub-] Committee was such that the danger of quotas on imports into Germany in connection with the sanctions measures was for the time being practically eliminated, unless some States should, for reasons of their own domestic economy, subsequently take such measures themselves. The substance and, where necessary, the texts of today's resolutions of the Committee of Eighteen follow *en clair* in telegram No. 133.⁵ The proposed German legislation for the prevention of war profiteering is generally recognized here as correct neutral conduct, and has been especially acknowledged by the British delegation; on the other hand the Italians, whom I subsequently informed of the import of Germany's intentions, showed complete understanding for these German measures too.⁶

KRAUEL⁷

⁵ Not printed (8023/E577519-20).

⁶ A memorandum by Bülow of Nov. 7 (8023/E577534) reads: "Telegram No. 132 from Geneva on yesterday's statements by Krauel *vis-à-vis* Wilson and Walters contains some misunderstandings: On page 3 it is stated that purchases had been effected in Germany in order to 'export the goods to the belligerent countries'. I did not tell Krauel this, but spoke merely of our market being denuded and of damage done to our interests. Then, two lines further, I spoke not of laws but only of decrees [*Verordnungen*]. Finally, I did not authorize Krauel to give this information to Wilson and Walters for them to make whatever use of it they pleased, but for use *vis-à-vis* the Sanctions Committee. The misunderstanding concerning the war-profiteering export to belligerent countries recurs in the communiqué on the negotiations of the Committee of Eighteen (page 4 of the telegram)."

⁷ Filed with a copy of the document here printed in the Reich Chancellery files (M260/M011017-20) is an express letter of Nov. 13 from Lammers to Neurath (M260/M011021) which reads: "The Führer and Chancellor has instructed me to request you to recall the German Consul at Geneva, Krauel, from his post immediately." In a minute of Nov. 22 (M260/M011022) Lammers noted that Hitler had withdrawn his request after hearing a report by Neurath.

No. 397

8023/E577535-36

Memorandum by the State Secretary

BERLIN, November 7, 1935.

In view of the events in Geneva with regard to sanctions, I asked the Italian Ambassador to call at noon today and explained the events in Geneva to him in accordance with my instructions to Krauel yesterday¹ and Krauel's telegrams Nos. 132² and 133.³ I emphasized that for us it was a question of protecting our home market and that, moreover, the measures were similar in character to the Italian export embargos on hemp, hemp products, iron ore, zinc oxide and the like.

¹ See document No. 394.

² Document No. 396.

³ See document No. 396, footnote 5.

Finally, I informed him of the contents of the proposed DNB communiqué.⁴

The Ambassador had already been informed from Geneva and from Rome of yesterday's events, and he had the impression that they had caused considerable concern both in Rome and among the Italian Delegation in Geneva. On the basis of what I had told him, he observed that obviously the League or the Sanctions Powers had deliberately put a false interpretation on the German statements. He would immediately do what he could to exert a clarifying and pacificatory influence in Rome.

The Ambassador was particularly interested in the question of which raw materials of interest to Italy would be included in the first decree. He suggested that only such things as foodstuffs be mentioned in the first decree, i.e., goods which do not affect trade with Italy or sanctions. I rejected this suggestion and said that in the first decree (and this in our own interests, i.e., to avoid suspicion that we were participating in sanctions) we would simply mix the prohibited articles, not discriminating between articles free from sanctions and those subject to them, and omit all articles of special importance in the normal trade between Italy and Germany.

The Ambassador then requested that he be informed as far as possible in good time before the decree was issued so that he could prepare Rome for what was impending and thus prevent unnecessary annoyance.

BÜLOW

⁴ This DNB bulletin (8023/E577538) reads: "No German Steps in Geneva. Berlin, November 7. Foreign newspapers have carried reports about a *démarche* by the German Consul at Geneva with a high-ranking official of the League of Nations. These reports are incorrect. No such *démarche* has been made. The German point of view with regard to Germany's neutrality and non-participation in sanctions is known and has in no way changed.

"If there should become noticeable, in the export of certain raw materials or foodstuffs, an unwonted increase which threatens the internal economic interests of Germany herself, the Reich Government will prevent this by appropriate measures.

"All assertions to the contrary on the part of the foreign press are incorrect.

"Furthermore, immediately after the commencement of the Italo-Abyssinian conflict—i.e., long before the familiar League of Nations measures—the Reich Government prohibited the export of war materials and munitions to both States."

No. 398

8016/E576805-08

*The State Secretary to the Embassy in Italy*¹

Telegram

URGENT
No. 241BERLIN, November 7, 1935—5:00 p.m.
[e.o.] III O 5397.

The British and French press publish detailed reports this morning about statements which the German Consul in Geneva is said to have made on Wednesday,² in a conversation with the Director of the Political Department of the Secretariat, about Germany's attitude to the question of sanctions. Particular significance is attached to these statements as indicating that the Reich Government, through their new attitude, have closed an important gap in the ring of economic sanctions measures, which is of tremendous consequence for the whole future of the system of sanctions and a proof of a *rapprochement* between Germany and France, Britain and the League of Nations.

The real truth of the matter is as follows:

Yesterday, in the Geneva Sub-Committee, the question for discussion was that of how the Sanctions Powers could prevent raw materials supplied by them to non-members of the League, and coming under the sanctions embargos, from being re-exported to Italy. For this reason, the American representative in Geneva, Wilson, who was extremely disturbed about the rigour of the impending resolutions, informed Krauel³ that, in order to forestall such resolutions, he had asked his Government for authority to state that the United States would not permit deliveries made by them to exceed the previous level and were, moreover, prepared to publish export figures. He hoped by such a statement to prevent the Sub-Committee adopting rigorous resolutions; he then went on to ask Krauel whether the German side, too, could not make a similar declaration. Thereupon, Krauel, in consultation with myself, first expounded to Wilson once again our familiar point of view that we would unconditionally abide by the neutrality we had observed hitherto, that we did not in any way wish to allow ourselves to become involved in the Geneva sanctions procedure, but that we now, as hitherto, had no intention of deriving any special opportunist profit from the present situation. On the other hand, however, we were beginning to suffer from the indirect effects of sanctions, and that partly in respect of goods that were not on the sanctions list, such as butter, margarine

¹ The text of the document here printed was simultaneously repeated to Washington for information as telegram No. 194; it was transmitted to other Missions by cipher letter of Nov. 8 (8016/E576809).

² I.e., Nov. 6.

³ See documents Nos. 394 and 396.

and other important foodstuffs, and raw materials. Furthermore, it had been possible to observe for some time that certain countries, like Austria (which was participating not at all or only partially in sanctions), were making panic purchases and profiteering deals which resulted in draining important raw materials away from Germany. In many cases there is no intention at all of reselling to Italy and such intention is in any case not a decisive factor in our decisions. The Geneva assumption to this effect is erroneous. Our motive is to protect our home market. The economic departments concerned are considering the necessity of providing protection against unfortunate consequences of this kind resulting from the economic warfare by means of export embargos and controls. Krauel has also said the same thing about our attitude in a conversation with Walters, the Head of the Political Department in the League of Nations Secretariat.

In view of the foregoing, the accounts given by the British and French press are transparently tendentious reports. There is not the slightest question of our having changed our previous attitude and of our now showing an inclination to support the system of sanctions. Our sole concern is whether, and how, we can autonomously protect ourselves against the direct or indirect repercussions of the sanctions procedure on our own raw material situation, which is in any case strained. If, in this connection, the question of export embargos is also being considered, it should be borne in mind that such embargos would naturally concern exports to *all* countries, not only to belligerents, and the list of embargos would in no way correspond to the Geneva sanctions list. We cannot, of course, simply allow our own requirements of foodstuffs and raw materials to be endangered as the result of the proceedings of the Sanctions Powers. On the other hand, we believe that the German protective measures in question (about which no final decision has in any case yet been taken) would make it easier for us to continue our normal trade with Italy.

You should make use of the above observations in an appropriate manner in order to forestall misinterpretation of our intentions. Attolico has been informed here to the same effect.⁴

BÜLOW

⁴ See document No. 397.

No. 399

8023/E577537

Memorandum by the Director of Department III

BERLIN, November 7, 1935—5:30 p.m.

Counsellor of Embassy von Plessen has just telephoned from Rome and supplied the following information on behalf of Herr von Hassell:

Signor Mussolini had been very agitated about the news which had arrived from Geneva during the night concerning an alleged *démarche* by the German Consul,¹ and had caused Herr von Hassell to be told through Signor Alfieri² that, although he would have understood certain German export embargos being imposed, he could not understand Germany's making a statement in Geneva about such measures. Herr von Hassell, who had been informed by my telephone call³ about the actual position, had been able to reassure Signor Alfieri. In addition, Baron Plessen had given an account of the real course of events in Geneva to the Political Director of the Foreign Ministry.⁴

I availed myself of the telephone call from Rome to inform the Embassy of the official DNB statement,⁵ which was not yet known there, and to say that Signor Attolico had meanwhile been received here by Herr von Bülow and had been apprised of the real position.

Our telegram to the Embassy in Rome⁶ had not yet arrived.

DIECKHOFF

¹ See document No. 396.

² Under Secretary of State for Press and Propaganda.

³ Hassell's memorandum on a telephone conversation with Dieckhoff at 10:20 a.m. is not printed (8057/E579145-46).

⁴ G. Buti.

⁵ See document No. 397, footnote 4.

⁶ Document No. 398.

No. 400

8023/E577539-40

The Consul at Geneva to the Foreign Ministry

Telegram

No. 134 of November 7

GENEVA, November 7, 1935—8:45 p.m.

Received November 7—11:45 p.m.

[III O 5396.]¹

According to what has been ascertained here, the competent Economic Committee has simply taken note, without entering into any discussion of the matter, of the information concerning Germany's proposed measures² for preventing vital products from being bought up and exported. Among the delegations who in the nature of things were aware of Germany's *de facto* attitude in this question, this announcement caused no surprise. Various members of the Economic Committee, e.g., the Polish and the Hungarian, were unanimous in confirming to me that Germany's measures were viewed as a logical consequence of Germany's neutral attitude, which was already well known, and of her economic situation. In Geneva itself, exaggerated treatment in the press was given to it solely by the sensa-

¹ Taken from another copy (8016/E576603-04).

² See document No. 396.

tional *Journal des Nations*, whereas the *Journal de Genève* and the *Neue Zürcher Zeitung*, for example, confined themselves to printing the colourless statement by the League of Nations Secretariat without comment of any kind. The Hungarian Minister³ pointed out to me that, according to his information, only the French left-wing press had seized the opportunity of creating discord between Italy and Germany, while the Reuter correspondent told me that one report stemmed from an interpretation of the German measures by Lord Stanhope.⁴ As already reported in my telegram No. 132,² the League of Nations Secretariat have reproduced the information given to Mr. Walters with complete accuracy, so that the impression that there had been an official German statement could only have been created by malicious interpretation. Nor have the German measures as announced elicited reproach from the Italian side.⁵

KRAUEL

³ László Velics de Lászlófalva.

⁴ Parliamentary Under Secretary of State for Foreign Affairs.

⁵ Marginal note: "(1) The statement by the [League] Secretariat was not colourless but in one essential point ('belligerents') thoroughly misleading. (2) In *Geneva* the matter may have attracted no attention, but in *the world in general* (press, radio) it caused a great sensation. The Italians in Geneva may have remained calm, but Mussolini was greatly agitated. (3) I wanted to point this out to Krauel by telephone, but was unable to reach him. He is said to be away. D[ieckhoff], Nov. 8."

No. 401

9590/E676221-24

*Circular of the Foreign Ministry*¹

BERLIN, November 7, 1935.

zu II Balk. 2633,²2672,³2685 R.⁴

Drafting Officer: Counsellor Busse.

With reference to our despatch II Balk. 2514 R. of October 30, 1935.⁵

According to recent reports stemming from a variety of sources, it would appear that the development of Rumanian-Russian relations has of late come to what, at the very least, amounts to a standstill. The causes for this may well be sought in the field of internal Rumanian politics, or they may also lie in political influences from abroad.

¹ Addressees of this circular, which was despatched Nov. 11-14, were the Missions in Moscow, Warsaw, Paris, London, Rome, Ankara, Belgrade, Prague, Budapest, Sofia and Athens.

² Not printed (9590/E676207-11); this was Bucharest despatch No. 3235 of Oct. 28.

³ Not printed (9590/E676215); this was Ankara despatch A 1794 of Oct. 28.

⁴ Document No. 393.

⁵ Document No. 385.

Apart from the sharp resistance to any understanding with the Soviet Union put up by the Rumanian right-wing Opposition parties, King Carol's unfavourable attitude has, according to special reports received here, not decreased in firmness either. On the contrary, it would now appear that the King cooperated in drawing up, if, indeed, he did not originate, the communiqué issued by the Rumanian Government on October 15,⁶ in which it was denied that there had been negotiations with Soviet Russia. Talk about Titulescu's visit to Moscow, which had been frequently announced in the press, has now died down again. According to a report from the Legation in Bucharest,⁷ there has been a noticeable decrease in the attentions paid to Russia. The opening of the railway line from Tighina to Russia was celebrated without any kind of political tinge. An aviation day in Bucharest, which had originally been planned as an ovation for three Russian bombers, was subsequently transformed into a more international occasion. The censors have allowed a few newspapers to review the Russian General, Isserson's, book, *Strategy*, and to describe, for the first time for a long while, the dangers of a Russian attack on Europe, in consequence of which Rumania would be transformed into a Russian military camp.

Of immediate significance, too, would appear to be the report from our Legation in Bucharest⁷ on the assurance, given by a reliable confidant, that the French too have counselled the Rumanian Government to slow down the *rapprochement* with Russia. In particular, the Deputy Chief of the French General Staff, General Schweissgut, is said to have spoken in this sense during the Rumanian manoeuvres. In fact, any such French concern may well be attributable to the fact that the French Government have so far not ratified their own pact with Soviet Russia, and because, in view of the pact system which they have consistently followed, they obviously do not favour an independent pact policy on the part of their eastern allies, lest they should lose the lead. [The French consider that] though there were special reasons for the agreement between Czechoslovakia and Russia, yet, if only out of consideration for Poland, this tendency should not at present be allowed to gain ground. Apart from this, France undoubtedly still values the North-South axis which the Polish-Rumanian alliance provides for her sphere of influence.

A natural result of this situation would be that Rumania's ties with France and, particularly, with Poland, would again increase in significance and scope. For one thing, the press campaign against Poland, which had increased very considerably, has been called off and in many places the fact that Rumania and Poland are still allies is once again being stressed. In Bucharest a ready ear is being

⁶ See document No. 353 and footnote 16 thereto.

⁷ No. 3235 of Oct. 28; see footnote 2 above.

lent to the rumours that the Polish Foreign Minister's position has been undermined, for, in addition to having incurred the personal animosity of M. Titulescu, M. Beck is regarded as the evil spirit of the Polish-Rumanian alliance. Moreover, it must not be overlooked that a new *rapprochement* between Rumania and Poland could not fail to affect relations between Rumania and Czechoslovakia. It is realized in Rumania that Czecho-Polish relations are a weak link in the Rumanian system of alliances. In this connection the fact is being stressed that the Czech Minister was the only diplomat to take part in the festivities marking the King's birthday and that on that occasion he presented the King with the collar of the White Lion. The cordial speeches which accompanied the bestowal of this order are semi-officially interpreted to mean that, through the mediation of Rumania, Czechoslovakia is to stretch out the hand of brotherhood to her Polish kinsfolk. In view of all this, the possibility cannot be excluded that Titulescu will resume his consultations with Russia in the near future and will perhaps content himself for the moment with a non-aggression pact on the usual lines.⁸

Addition for Paris and Moscow

You should report anything observed regarding the shaping of Russo-Rumanian relations or regarding any influence being brought to bear by France.⁹

By order:
KÖPKE

⁸ Copies of the document here printed were sent on Nov. 10 (9590/E676224) to Bucharest, with reference to reports No. 3094 of Oct. 15 (document No. 353) and No. 3235 (cited in footnote 2 above), and to the War Ministry.

⁹ No report from Paris has been found; in despatch A 2390 II of Nov. 14 (9590/E676235) Schulenburg reported from Moscow that Litvinov had told the Italian Ambassador that Titulescu's visit had been postponed indefinitely.

No. 402

5560/E396451

Minute by the Director of the Economic Department

BERLIN, November 7, 1935.
e.o. II M 2564.

At a conference with the Foreign Minister, at which he gave an account of his conversation with the Reich Chancellor about economic sanctions and export embargos,¹ the Foreign Minister and the State Secretary instructed me to inform Ministerialdirektor Ernst of the Reich Finance Ministry that the Foreign Ministry agreed that the long

¹ No record of the conference or of Neurath's conversation with Hitler has been found.

proposed action on the Law on War Materials² might now be taken. Herr Ernst should himself take the initiative in obtaining the necessary concurrence of the Reich War Ministry and the Reich Ministry of Economics.

I informed Herr Ernst of this today. Herr Ernst said that the Reich War Ministry and the Reich Ministry of Economics had already previously agreed; action had been delayed only because of the Foreign Ministry's objections. If the Foreign Ministry were now in agreement, he would cause the Reich Ministries of War and Economics to take the requisite further action.³

RITTER

² See documents Nos. 116, 168, 279 and 395 and footnotes thereto.

³ In a memorandum of Nov. 8 (5560/E396454-55) Frohwein recorded that Blomberg had decided to submit the matter once more to Hitler and was flying to Munich that day, and that he [Frohwein] had told representatives of the Reich War Ministry that the press treatment of the law should be as unobtrusive as possible. The Law on the Import and Export of War Material, now dated Nov. 6, was published in the *Reichsgesetzblatt*, 1935, Pt. I, p. 1337, on Nov. 15; a list of the goods concerned appeared in the *Reichsanzeiger*, No. 270, on Nov. 18, 1935.

No. 403

8468/E596003-05

The Chargé d'Affaires in Belgium to the Foreign Ministry

A 343

BRUSSELS, November 7, 1935.

Received November 11, 1935.

II Bel. 1071.

Subject: Treatment of the question of Eupen-Malmédy at the farewell audience of the Belgian Minister, Count de Kerchove.

With reference to your despatch II Bel. 1046 of November 4.¹

When making my *démarche* today against the Deprivation of Nationality Law and its application in respect of the Liège judgement,² I also mentioned to Secretary General van Langenhove the conversation about Eupen-Malmédy which the Führer had with the Minister, Count de Kerchove, on the occasion of his farewell audience. At the outset of our talk we discovered that there was a discrepancy between Count de Kerchove's account of the Führer's statements and that given in the memorandum by the State Secretary in the Presi-

¹ See document No. 381, footnote 4.

² For the Law concerning the Deprivation of Nationality and for the Liège Court's decision of Oct. 24 see document No. 342 and footnotes 3 and 5 thereto. By despatch zu II EM 394 of Nov. 5 (8456/E595520-23) the Legation in Brussels were instructed to protest against the application of the Nationality Law; Bräuer reported on his *démarche* in telegram No. 40 of Nov. 7 (8456/E595531-33).

dential Chancellery of October 25, which was sent to me with the above-mentioned despatch. Thereupon van Langenhove fetched Count de Kerchove's report from his desk and read out to me about a page of it containing the passages dealing with the subject of Eupen-Malmédy. De Kerchove reports there that on his suggesting a declaration regarding territorial questions between Germany and Belgium, the Führer replied that there were still many people in Germany who were of the opinion that the plebiscite on the change of sovereignty in Eupen-Malmédy had been an injustice and that this injustice must be removed by holding the plebiscite again. He, the Führer, was not of that opinion, for he considered, as he always had done, that the territorial question in Western Europe had already been settled once and for all. After this came the Führer's statements on German-Polish relations, at the beginning of which van Langenhove stopped reading aloud.

After reading it a second time, van Langenhove assured me that Count de Kerchove's report contained nothing about the Führer stating that the position over Eupen-Malmédy was different to that over Alsace-Lorraine, and gave none of the reasons mentioned by the Führer.

Thereupon I repeated to M. van Langenhove in some detail the Führer's statements on this question, as contained in the memorandum sent to me. I added that the Führer's foreign policy was directed towards living in peace with all neighbouring countries and above all never bringing about the settlement of territorial questions by force of arms. Here I emphasized that, where his conversation with Count de Kerchove was concerned, the Führer considered that his contribution to the tranquillization of German-Belgian relations lay in his suggestion that it would be better if territorial questions were not spoken of at all.

In the course of our conversation, van Langenhove implied that Count de Kerchove had once before reported on a statement made by the Führer, which had looked like a final renunciation of territorial claims by Germany on Belgium. Perhaps this explains the fact that, in the report on his farewell audience, Count de Kerchove fails to mention precisely the distinction which the Führer drew between Alsace-Lorraine and Eupen-Malmédy.

For the rest, van Langenhove showed that he fully understood that, in accordance with the terms of the Locarno Treaty, we shall loyally refrain from any use of force against other signatories of the Treaty when settling territorial questions, that, as emerges from the various statements made by the Führer, we have not the slightest intention of raising any territorial questions, but that, nevertheless, we do not intend to renounce the possibility—which, incidentally, is not at present actual—of raising through negotiation any territorial questions

where an obvious injustice has been done to Germany and to a population which has been separated from Germany.¹

BRÄUER

³ The document here printed was marked by Neurath for submission to Meissner, the State Secretary in the Presidential Chancellery. In a communication to the Foreign Ministry of Nov. 16 (8468/E596006) Meissner wrote: "It is not correct that the Führer made the statement reported by Count Kerchove. Count Kerchove for his part stressed that there were still many people in Germany who believed that a plebiscite and if necessary a fresh settlement of the question should take place in respect of the change of sovereignty [*Besitzwechsel*] in Eupen-Malmédy; he stated that it was therefore urgently desirable that Germany should make a declaration in respect of Eupen-Malmédy similar to that regarding Alsace-Lorraine. The Führer evaded this approach by the Belgian Minister and said that it would be best not to speak of territorial questions at present. In this connection he referred to the example of the German-Polish understanding and then made the remarks contained in my memorandum of Oct. 25, 1935 [document No. 381, enclosure]."

No. 404

8017/E577006-12

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 224

LONDON, November 8, 1935.

Received November 9—12:15 p.m.

III O 5438.

According to the impressions which I have derived here, partly from remarks made by Sir Robert Vansittart on the occasion of an informal luncheon we had at his house, and partly from the remarks of other well-informed personages, the situation with regard to the Italo-Abyssinian conflict appears at present to be as follows:

1. Now that it has been determined in Geneva to put into effect the sanctions previously resolved upon,¹ the main points in the plan of action against Italy, which the British Government had in mind, have been completed for the time being. The British Government at present are planning no further initiative in this direction. The extension of the embargo to petroleum, iron, steel and coal, which was resolved upon in Geneva on a Canadian proposal is apparently not to be forced through regardless but is only to be dealt with further on a basis of attentive consideration for the views of States not members of the League of Nations. At all events, the British Government would like to avoid friction with non-member States as far as possible, as could of course already be seen from Baldwin's recent statement,² in which he rejected all thoughts of a blockade, pointing out the possi-

¹ The reference is to the Co-ordination Committee's resolution of Nov. 2 (for the text see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 146), p. 8) which fixed Nov. 18 as the date for the entry into force of the Committee's Proposals III and IV (see document No. 366, footnote 3).

² Apparently a reference to Baldwin's broadcast speech of Oct. 25; for the text see *The Times* of Oct. 26, 1935.

bilities of conflict with non-member States inherent in measures of blockade.

2. Anglo-French relations, which, as is known, were so gravely imperilled about three weeks ago, have been steered back into smoother channels, even though there is still widespread annoyance here about French unreliability and especially about French behaviour over the question of naval support.

French assistance in the event of an attack in the Mediterranean is now regarded here as being finally assured even though Anglo-French discussions about relevant details are obviously still in progress. The speeches made in Geneva on November 2 by Sir Samuel Hoare and Laval³ are also held to show that the British and French attitudes in the question of the general treatment of the Italo-Abyssinian conflict have come closer to one another. But at the same time these very speeches also show an unmistakable difference in emphasis, whence arises the possibility, indeed the probability, of further Anglo-French friction in respect of future policy towards the conflict. Whereas Sir Samuel stressed the necessity of reconciling the three factors, the League of Nations, Italy and Abyssinia, and also the exclusive competence of the League of Nations, the emphasis in Laval's statement lay on the announcement of the French decision to do everything to bring about agreement as quickly as possible, but although the League was indeed mentioned as the necessary framework, there was no reference to Abyssinia. Notwithstanding the emphasis placed on the restoration of Anglo-French understanding, the British Government are aware of the continued existence of fundamental differences between the British and the French attitudes. They appear to believe, however, that France will have to continue on the course which she has finally had to adopt. They also rely on the fact that they have explained in Paris the necessity for loyal behaviour with such unsparing frankness that France can no longer be in any doubt about the dangers of fresh disloyalty and renewed divagations.

3. The attempts, in which Laval acted as mediator, to bring about a *détente* between Britain and Italy in the Mediterranean have not yet led to any practical result. The difficulties of achieving such a partial Anglo-Italian understanding are due to Italy's wishing to keep her troops in Libya in order to retain a lever in the event of Britain's taking more stringent action, while Britain, on the other hand, sees in the presence of the Home Fleet in the Mediterranean a useful counterweight against possible Italian encroachments on the British Empire. The withdrawal of one Italian division from Libya⁴ was not regarded by the British as a sufficiently important concession to

³ For the speeches made by Hoare and Laval at the meeting of the Co-ordination Committee on Nov. 2, see League of Nations: *Official Journal, Dispute between Ethiopia and Italy* (Special Supplement No. 146), pp. 8-9.

⁴ See also document No. 375.

justify the withdrawal of any British naval forces from the Mediterranean. Britain could apparently consider such a partial withdrawal only if the Italian troops in Libya were to be reduced to approximately half their present strength and if the Italian press campaign against Britain were to be finally stopped.

In Geneva at the beginning of November, Sir Samuel Hoare, after diagnosing this state of affairs, held out to Aloisi⁵ the prospect of entering upon diplomatic negotiations regarding the problem of bringing about a mutual *détente*, and accordingly, as is known, a conversation took place a few days ago⁶ between Sir Eric Drummond and Mussolini. As Vansittart told me, this conversation had no other aim than to achieve such a *détente*, and it can doubtless be assumed that this will be brought about very soon by means of mutual reductions.

4. As to the Italo-Abyssinian conflict itself, no possibility of a solution has yet emerged from the various informal discussions which have recently taken place. Nevertheless, as Vansittart put it, the stiffness had disappeared and things had started to move. Vansittart does not reckon with the possibility of a solution before sanctions come into effect on November 18, but he did mention the second half of December as a possible date when prospects of a solution might eventuate. However, he referred several times to the difficulties that the Negus would encounter if there should be question of forcing his stubborn vassals to accept any cessions of territory to Italy, and he also stressed the necessity of approval by the League of Nations. It seemed to me, however, that Britain would not, of herself, insist absolutely on a return to the proposals of the Committee of Five,⁷ if possibilities of a solution on a basis more favourable for Italy should offer.

5. Vansittart no longer rates Italy's powers of endurance very highly. Even apart from sanctions, he foresees a rapid increase in financial difficulties. He thinks that Mussolini has embarked, with a country insufficiently well equipped materially, on an undertaking the difficulties of which he has not properly appreciated. He also thinks that the prize is not worth the enormous stakes. He sees, accordingly, a grave political blunder in the fact that Mussolini has chosen the dangerous path of force, despite all the warnings and all

⁵ In telegram No. 130 of Nov. 2 (8023/E577510-13), Krauel reported information from Aloisi about the latter's conversation with Hoare on Nov. 2.

⁶ On Nov. 5; see *The Times* of Nov. 6. In telegram No. 212 of Nov. 6 (8015/E576241) Hassell reported that the British Counsellor of Embassy had told him that the main topic in this conversation had been achieving a *détente* in the Mediterranean, e.g., discussing the possibility of a withdrawal of Italian forces from Cyrenaica and British naval units from the Mediterranean. In despatch I 838 of Nov. 12 (8020/E577310-11) Hassell supplied information obtained from a reliable source giving further details of this conversation.

⁷ Of Sept. 18, 1935; for the text see League of Nations: *Official Journal*, November 1935, pp. 1621-1624.

the tempting offers of peaceful solutions. But it also transpired from what he said that the British Government on no account desire Mussolini's political position at home to be jeopardized and would regard as an international misfortune the chaos that might ensue in Italy should Mussolini fall. We may therefore expect that Britain, while upholding the principle that agreement between the League, Abyssinia and Italy is necessary, will play her part in facilitating a solution as soon as Mussolini shows readiness to consider a reasonable settlement.

HOESCH

No. 405

9590/E676230

The Chargé d'Affaires in Rumania to the Foreign Ministry

Telegram

BUCHAREST, September [sic] 9, 1935—1:50 p.m.

Received September [sic] 9—3:20 p.m.

No. 141 of November 9

II Balk. 2718 R.

In order to make more credible the fact that his policy had turned away from a Russian pact, Titulescu stressed that the Russo-Czech pact, too, would remain in suspension as long as the French pact remained unratified. He, Titulescu, was now urging Beneš to come to a direct understanding with Germany, just as Rumania was doing with Soviet Russia. Beneš' most recent speech was the first result of this.

Titulescu assured me repeatedly that he had never granted the Russians the right of military passage and would only conclude a pact of mutual alliance if it were not directed against Germany. Rumania, he said, must not stand in the way of any future German-Russian understanding, which he thought more probable than a German-French one.

He did not dispute my interjection that one would have to wait and see what policy France would pursue *vis-à-vis* Russia, once Laval, as might happen, had fallen.

POCHHAMMER

No. 406

8016/E576613-16

*The Director of the Economic Department to the Missions in
Brazil, Japan and the United States*

Telegram en clair

IMMEDIATE

BERLIN, November 9, 1935—7:35 p.m.
e.o. III O 5434.

1. To Washington: No. 197.

With reference to our telegram No. 194.¹

2. To Tokyo: No. 111.

3. To Rio de Janeiro: No. 91.

For information and guidance on language to be held.

In the middle of next week a decree² will be published concerning export embargos on a series of important foodstuffs and raw materials, such as all edible fats and oils, potatoes, cotton, wool and other textile raw materials, rubber, mineral oils, crude metals, iron, and semi-finished iron products. (Coal and copper will not be contained in this list, since an export embargo already exists for these two articles.) The export embargos apply to all countries and will come into force on November 16.

The object of these export embargos is solely to safeguard the requirements of Germany's domestic economy. The export embargos have nothing to do with the Geneva sanctions resolutions. This is obvious if only from the fact that, for one thing, the German export embargos apply to many goods not included in the Geneva sanctions resolutions (e.g., edible fats, textiles), and for another thing, that they do not embrace all the goods listed in the Geneva sanctions resolutions (e.g., horses and other draught animals and beasts of burden). It is further obvious from the fact that the export embargos apply to *all* countries.

New export embargos have become necessary for a number of reasons. First, it has become apparent in some frontier areas that neighbouring countries are beginning to buy up margarine and butter in Germany and to export them. In the case of potatoes, we have ourselves had a somewhat meagre harvest this year. In the case of industrial raw materials, the tendency is apparent in some neighbouring countries, especially in the South, to pile up raw materials from Germany and to export them. This tendency is presumably due to uncertainty about raw material supplies in those countries as a result of the Geneva sanctions resolutions. On top of this there are con-

¹ See document No. 398, footnote 1.

² For the text of this decree of Nov. 9 see *Deutscher Reichsanzeiger*, No. 265 of Nov. 12, 1935.

siderable rises in prices abroad. Replacements for the foodstuffs and raw materials exported could therefore only be imported again at higher prices. In view of their own strained position as regards foreign exchange and raw materials, the Reich Government are naturally unable to view this development passively but have to forestall it by means of export embargos.

It also follows from the above that the new export embargos are not intended as a permanent measure but are only to apply for the duration of the present exceptional situation. It is proposed to permit the issue of export licences where a previous constant volume of trade in the goods concerned justifies this and our own supply position allows it. Transit traffic and traffic through free ports are not affected by the export embargos.

Addition for Rio de Janeiro:

You should circulate this to the Missions in South America by airmail.

Addition for Washington:

You should circulate this by airmail to the Consulates at your end, as well as to Missions in Mexico, Guatemala, Panama and Montreal.

RITTER³

³ Copies of the document here printed were circulated by Ritter to all other diplomatic Missions (except the Embassy to the Holy See and the Missions in Central and South America), the Consulate General in Sydney and the Consulate at Geneva by airmail despatch III O 5434 of Nov. 9. The Embassy in Rome received the following additional instructions (8016/E576617): "With reference to our telegram No. 241 [document No. 398], you should inform the Government at your post of the above as soon as possible and, making reference to earlier declarations, you should add that it will be our endeavour to keep trade relations with Italy as undisturbed as possible, within the limits of what is possible in both countries. You should further state that in any case the situation, which has changed in many respects, makes it appear desirable, in the interests of both parties, that discussions between the two Governments about trade and clearing transactions for the remainder of the year 1935 and for the year 1936 should take place shortly. We have already been in contact about this with Signor Ricciardi here in Berlin. Should such discussions between the two Governments take place shortly, any desires of the Italian Government regarding the application of the new German export embargos could also be discussed." No record of such contact with Ricciardi, Italian Commercial Counsellor in Berlin, has been found. See also document No. 410, footnote 4.

No. 407

8015/E576246-51

Ambassador Schulenburg to Ministerialdirektor Köpke

Moscow, November 11, 1935.

III O 5592.

DEAR KÖPKE: On November 5 I introduced Herr von Tippelskirch as new Counsellor of Embassy to M. Litvinov. The conversation on this occasion turned to the Abyssinian conflict. M. Litvinov spoke

with unusual frankness on the subject. He said that there would certainly be no peaceful settlement of the conflict now. All that British statesmen were now saying about endeavours to reach a settlement *à l'amiable* [sic], about a reform of the League etc., was exclusively election propaganda. After the elections nothing more would be heard about all this. M. Litvinov expressed his conviction that Britain not only intended to drive Italy out of Abyssinia but, over and beyond, was striving to weaken Italy in general and to humiliate Mussolini. Italy had long been troublesome to the British in the Mediterranean too. The talk about "*mare nostrum*", about the revival of the Roman Empire etc., had been very inept. Nor was M. Laval blameless, for he had spoken both of the obsolescence of the British fleet and of Britain's inability to undertake any serious action. Britain wished to put an end to all this and to prove that she was still a Great Power. And she had indeed demonstrated this to the whole world! Britain's position as a Great Power could not have been more clearly demonstrated than by the way in which, at Geneva, everyone, absolutely everyone, had conformed to the British wishes; Britain had got all she wanted even from France.

M. Litvinov made repeated gibes at M. Laval. When I remarked that M. Laval, when he was in Rome in January, had perhaps not really known where Abyssinia was, that is to say that he had not fully realized the geopolitical questions bound up with that territory, M. Litvinov replied: "I have sat with M. Laval in this very room and have been amazed at his ignorance of geography." I asked M. Litvinov whether, in his opinion, a humiliation of Italy and of Mussolini might not have grave consequences. M. Litvinov replied that the Court and army in Italy had been opposed to the Abyssinian campaign, that the undertaking must be regarded as a purely personal affair of the Duce's, and that apparently every man must commit at least one major folly in his life.

M. Litvinov asked if we would take part in sanctions. I answered that we had, as far as I knew, defined our attitude as no deliveries of arms, and, furthermore neutrality. M. Litvinov thought that the sanctions, even in their present form, would soon make themselves very unpleasantly felt in Italy. Litvinov asked if we would continue to supply Italy with coal. I replied that coal, as far as I knew, was not on the list of embargos. M. Litvinov said he thought that was so, but only because we had not wished to cooperate in economic sanctions.

In conclusion, M. Litvinov said that the Soviet Union "was no longer interested in the whole affair".

My general impression of the conversation was that M. Litvinov is far from pleased about the Abyssinian conflict and its repercussions. His endeavours in Geneva to extract whatever might profitably, if

need be, later be used as a precedent against Germany have obviously produced very meagre results. On the other hand, it is clear that the Stresa Front has become distinctly flawed. M. Litvinov is therefore angry with all "who are to blame in the matter". He obviously regards first of all Signor Mussolini, and then M. Laval as being such "culprits".

You are kind enough to send us all material relating to the Abyssinian conflict. Nevertheless, we are, of course, not fully able to perceive the aims and intentions of the various Governments in all respects. I am inclined to consider M. Litvinov's view correct, that Britain intends not only to throw Italy out of Abyssinia but in addition to give Italy an object lesson. Am I right in this respect?¹

I sent you a short report² recently that on the occasion of the farewell party for Herr von Twardowski the Red Army had visited me for the first time and behaved in an extremely friendly way. This puzzled us a little already at the time. At the celebrations on November 7,³ M. Litvinov, who was sitting at the same table as I, suddenly raised his glass and said in a loud voice: "I drink to the rebirth of our friendship." The British Ambassador,⁴ who was sitting opposite, said: "Well, that's a fine toast." The Japanese Ambassador,⁵ who was also sitting opposite, only sniggered. I can think of no other explanation for the Soviet attitude than that they are very cross with France and would like to annoy her. M. Suritz, who is probably returning to Berlin tomorrow, did however say that he took a somewhat more hopeful view of the question of improving our mutual relations. He thought that at least in the cultural sphere he would be able to revive our mutual exchanges.

I would much like to come to Berlin again, round about December 1, for a little while. Do you think this would be possible?

With my very best wishes and with Heil Hitler!

I am, dear Herr Köpke,

Yours very sincerely,

F. W. SCHULENBURG⁶

¹ Marginal note against this sentence: "Yes. D[jeckhoff], Nov. 14."

² Document No. 383.

³ i.e., the anniversary of the revolution of 1917.

⁴ Viscount Chilton.

⁵ Tamekichi Ohta.

⁶ The document here printed was initialled by Neurath and Bülow on Nov. 14. The Embassies in London, Paris and Rome were informed of Schulenburg's conversation with Litvinov by cipher letter III O 5592 of Nov. 15 (8015/E576252-53). In his reply to Schulenburg dated Nov. 19 (8015/E576254-55) Köpke agreed with his views of Britain's intentions, but added that it was not yet clear how far these would be pursued; it would have to depend on developments in Abyssinia.

No. 408

8112/E579743-46

Foreign Minister Neurath to Ambassador Bergen

BERLIN, November 13, 1935.

Received November 20.

A 700a.

DEAR BERGEN: I can well understand the depression in the Vatican which you describe in your letter of November 4,¹ for it is in fact impossible to foresee what developments will arise from the Abyssinian-Italian conflict and the resultant Italo-British tension. There is also the fact that, however things may turn out, the Vatican, which is entirely pro-Italian, will ultimately gain no advantage. As regards one thing, however, the Vatican need have no anxiety. [We shall not allow ourselves to be drawn into any violent action],² but shall continue, as before, to watch the course of events calmly and with reserve; that is after all in our own best interests. On the other hand, I have no fear of one of our neighbours attempting to hinder the further growth of Germany's strength, possibly through a preventive war. Such an undertaking would mean, even now, a grave risk for the aggressor. That the Russians are making every effort to isolate us or to weaken us is quite clear. The means employed, however, are already beginning to arouse a certain mistrust in Geneva and in Paris.

Thus, although from the German side there is no danger of peace being jeopardized, I can well understand that the Vatican is concerned about the possible consequence of a growth of Bolshevism and about the repercussions which a change of régime in Italy might have on the relations between the Holy See and Italy. We are not in a position, nor do we desire, to relieve the Vatican's anxiety on this score. In our fight against Bolshevism and Communism the Vatican have hitherto, thanks to the influence of the disbanded Centre Party and its exponents, not only given us no support, but if anything have added to our difficulties.

Be that as it may, I have no objection to your stating to the Vatican on the basis of information received from the appropriate authorities that [any fears entertained concerning Germany have no foundation whatever and that, on the contrary, we continue, as hitherto, to strive to safeguard the peace in Europe.]² I do not, however, think it advisable for this declaration to be made in any solemn form; I have in mind, rather, a statement to be made orally, either to the Pope or to the Cardinal Secretary of State the next time you call on them, so as

¹ Not found.

² The square brackets were inserted by Bergen; see footnote 4 below.

to set minds in the Vatican at rest. To make a statement to Mussolini about anything, including Austria, is not in question at the moment. The article, "Salute to the former enemy",³ published in the *Giornale d'Italia*, on the lines of the motto "Come back, all is forgiven", is very clumsy and makes no impression on us who know the fickleness of the Italians. For the rest, we are striving, by preserving strict neutrality, to prove to the Italians too that we are not vindictive and that, while we have not forgotten the unprecedented insults and accusations of the past year, we can, if necessary, forgive them.

Incidentally, the Cardinal Secretary of State is quite right in assuming that in the Italo-British quarrel the question at issue is less that of Abyssinia than that of supremacy in the Mediterranean. That he overlooked this point was the great mistake which Mussolini made when he embarked on his Abyssinian adventure.⁴

With cordial greetings,

Yours, etc.,

NEURATH

³ The words in quotation marks are in Italian in the original.

⁴ Marginal note in Bergen's handwriting: "Today's lengthy conversation with the Cardinal Secretary of State gave me the opportunity of mentioning, in connection with the suspicions to which utterance was recently given in the *Baseler Nachrichten*, the passages in this letter enclosed in square brackets. The Cardinal heard me with obvious interest and satisfaction and said he would inform His Holiness. B[ergen], Dec. 12." No report on this conversation has been found.

No. 409

8842/E615262-64

Foreign Minister Neurath to President of the Reichsbank Schacht

BERLIN, November 13, 1935.

DEAR HERR SCHACHT: As I told you recently,¹ the Polish Ambassador has again raised, and in a serious form, the question of the transfer of the Corridor debts.² As far as is known here, he has also been in touch with Herr Göring and Herr von Ribbentrop about this matter, and is trying to arrange an audience with the Führer. In making his representations M. Lipski pointed out that the sum now outstanding, 42 million Zloty, was urgently needed to reduce the deficit in the Polish state budget.

The Polish proposals aim at settling the payments for one year in advance as follows:

(1) Immediate transfer of the sum outstanding,

¹ No record of such a previous conversation has been found but a memorandum by Roediger of Nov. 11 (8842/E615265-66), suggesting that Neurath should discuss the Polish *démarche* with Schacht by telephone, bears a marginal note: "Has been done. v. N[eurath], Nov. 12."

² See document No. 392. In a memorandum of Nov. 12 (5643/H000716-17) Roediger recorded a further *démarche* made that day by Prince Lubomirski of the Polish Embassy.

(2) Deferment of payment for two years of the sums falling due in the coming year, to the amount of the cash transfers made under point (1),

(3) Payment of the remaining amount with the aid of a triangular transaction with the Soviet Union (the Soviet Union to purchase German goods on a short-term basis; the Soviet Union to pay Poland, the German State Railways to pay the exporter).

As the above proposals show, the Poles are obviously trying to find a possible solution on a commercial basis.

The unresolved problem is acquiring an increasing political significance, and threatens seriously to burden German-Polish relations. The Führer, to whom I spoke on this matter a few days ago,³ has therefore ordered that the matter should be speedily settled. Consequently it appears to me necessary that there should immediately be a discussion between the departments concerned, particularly in order to ascertain what counter demands we can put to Poland. This is probably chiefly a matter of raising with the Poles the question of lessening the cost of the Corridor traffic by means of better technical arrangements and a reduction of charges.

It might be useful if you could spare a little time to see Ministerialdirektor Ritter of my Ministry during the next few days, in preparation for the requisite departmental conferences.⁴

Yours, etc.,

FRHR. V. NEURATH

³ No record of Neurath's conversation with Hitler has been found; in a memorandum for the Foreign Minister of Nov. 6 (8842/E615269-70) Roediger reviewed the railway payments problem and suggested that, if Lipski raised this matter with Hitler, his attention should be drawn to the repeated German proposals for reducing charges. Another (unsigned) memorandum dated Nov. 7 (8842/E615267-68) bears the marginal note: "The Foreign Minister has already discussed this orally with the Chancellor. To be filed. Ko[tze], [Nov.] 8."

⁴ In a memorandum of Nov. 18 (5643/H000706-07) Ritter recorded that Schacht had agreed to discussions with Poland on the railway payments arrears, and, with certain reservations, to Ritter's proposed programme.

No. 410

8020/E577290

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 217 of November 13

ROME, November 14, 1935—12:10 a.m.

Received November 14—3:10 a.m.

III O 5554.

With reference to your despatch III O 5434 of November 9.¹

Today I conveyed the information to Suvich as instructed, leaving with him a short *Pro Memoria*, and I mentioned in particular our

¹ See document No. 406 and footnote 3 thereto.

attempts to leave trade relations with Italy as undisturbed as possible and how useful early discussions would be. I emphasized at the same time the need to remedy, in advance of the discussions, German complaints about Germany being impeded in exporting the quotas allotted to her. I then once again explained the matter of Krauel's alleged statement.² In contrast to what has been said by other authorities, who have evinced continued disquiet about German measures in the direction of support for sanctions, it was my impression that Suvich had correctly understood our measures as due to our position. Finally, I explained, giving examples, that Italian xenophobe propaganda which was frequently directed against all foreign goods, irrespective of whether they came from sanctions countries or not, was calculated to endanger German-Italian trade relations. This Suvich admitted and promised to give it his attention, particularly since the Hungarian Minister³ had just made similar representations.⁴

HASSELL

² See documents Nos. 396 and 398.

³ Baron de Villani.

⁴ A memorandum of Nov. 23 (5642/E410981-83) records a telephonic communication from the Rome Embassy that the Italian Government were not prepared to begin trade negotiations until after negotiations had taken place between the Bank of Italy and the Reichsbank on the realization of securities held by Italians (see also documents Nos. 438 and 441, when it would become possible to see what sums would be available for Italian purchases in Germany. In report II 319 of Dec. 2 (8016/E576788-90), Hassell transmitted an Italian *Pro Memoria* of even date which took note of the German assurances that the recent export embargos had no connection with sanctions and agreed to discussions on trade and clearing transactions taking place as soon as possible. See also Editors' Note, p. 930.

No. 411

8020/E577291-93

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 218 of November 13 ROME, November 14, 1935—12:10 a.m.
 Received November 14—3:10 a.m.
 III O 5555.

In our conversation today, Suvich immediately mentioned his alleged interview with *Le Journal*¹ and the article in the *Börsen-Zeitung*² about his nostalgia for Stresa. He said the whole thing had been falsified. He had given no interview recently either to *Le Journal* or to any other newspaper. He had merely, about a month ago (that is before sanctions came into force), received a certain Benjamin of *Le Journal*, but not in the sense of an interview, and had explained to this person

¹ The reference is to an article by René Benjamin entitled "Les heures pathétiques de l'Italie: Du Journaliste au Diplomate" which appeared in *Le Journal* of Nov. 12, 1935 (M272/M011397-98).

² In the *Berliner Börsen-Zeitung* of Nov. 12, 1935.

the principles of Italian peace policy from the Four Power Pact³ to Stresa, stressing that, if France and other Powers really resorted to sanctions, this whole policy of cooperation, by which Italy wished to abide, would go by the board. The conclusions that were being drawn from the alleged interview were therefore completely unfounded.

Suvich explained the Italian Note to the Sanctions Powers⁴ as being due to the absolute necessity of setting forth the Italian attitude to the world in general and particularly to Italy herself. The position whereby the so-called Co-ordination Committee, which was not an organ of the League of Nations, was constantly adopting resolutions, without Italy's participating or being informed, which resolutions were then applied by the sanctions States, was grotesque, particularly since Italy was not even given any information about all this by any quarter whatever. The Note was intended to compel the States to show their colours *vis-à-vis* Italy. Moreover, it had been necessary to call attention to new facts which had meanwhile come into being, namely, the steady advance of the Italians and the voluntary submission of the populations, as a result of which the basic justification for the imposition of sanctions had been removed. I drew attention to the fact that the British had taken the Note to mean that Italy wanted to break up the sanctions Powers' united front and to elicit divergent expressions of opinion from them individually. Suvich did not reject this line of thought; he confirmed that the sanctions Powers did indeed differ very greatly in their views.

Suvich further stated that the Italian programme was quite simple, namely, to continue the advance into Abyssinia undisturbed and at the same time to offer firm resistance to sanctions. Italy could admittedly not hold out for ever, but she could hold out for a long time yet, and indeed much longer than many people assumed. He would much like to know what in fact the British meant to do if sanctions did not achieve the desired result. In saying this Suvich confirmed the version which I gave recently⁵ of the earlier conversation between Mussolini and Drummond, at which he was present, namely, that Mussolini had given confirmation of the continuation of military operations, and consequently the non-attainment of the British purpose in imposing sanctions, and had added that, if Britain went beyond sanctions by setting up a blockade, this would mean war. Drummond had replied that the British Government were not considering going beyond sanctions, so that this case would not arise.

Regarding the conversation between Mussolini and Drummond the day before yesterday [*sic*],⁶ Suvich informed me that its subject had again been a military *détente* in the Mediterranean and nothing more.

³ See vol. 1 of this Series, document No. 292.

⁴ For the text of the Italian Note of Nov. 11, see *The Times* of Nov. 13, 1935.

⁵ See document No. 404 and footnote 6 thereto.

⁶ This conversation evidently took place on Nov. 12; see *The Times* of Nov. 13, 1935.

Italy now desired a settlement in the sense of a restoration of the normal military status in the Mediterranean, Libya and the Red Sea. Britain, on the other hand, wished to proceed by stages, i.e., she was still only prepared to withdraw two ships if, in return, Italy would promise to withdraw a further division.

No negotiations on Abyssinia were at present taking place anywhere. For the present Paris had dropped out entirely as a mediation centre. Other sources also confirm that Italy is endeavouring to bring about a direct understanding with Britain without French cooperation.

HASSELL

No. 412

8019/E577161-63

The Ambassador in France to the Foreign Ministry

Telegram

No. 1148 of November 16

PARIS, November 16, 1935.

Received November 16—2:35 p.m.

III O 5628.

Laval's views on the further development of the Italo-Abyssinian conflict, which the Minister President gave me when we met, may be summarized as follows:

1) Italian willingness to bridge over differences has undoubtedly lessened in consequence of the military successes of the last few days. To judge by past experience of the fighting value of the Abyssinian troops, one may expect the Italians to attain their military objectives in rapid succession and thus compel the Negus to give way.

2) Since the Italians had refused to make known their demands, he, Laval, had taken the initiative and finally managed to get the Italians to inform him of their minimum demands. He had then communicated these demands to the British and had arranged for a representative of the Foreign Office (Peterson)¹ and a representative of the Quai d'Orsay (St. Quentin)² to compare the British demands with the Italian ones. During the conversations there had emerged too great a disparity between the views of his Italian friends and the British view. Negotiations had therefore been broken off. He intended, however, to embark on fresh mediation as soon as the atmosphere was more favourable.

3) But he could already now have the satisfaction of accounting it as a successful outcome of the initiative so far taken that the threat

¹ Maurice Peterson, Head of the Abyssinian Department in the Foreign Office.

² R. Doynel de Saint-Quentin, Head of the Africa and Levant Division of the Political and Commercial Department of the French Foreign Ministry.

of a European conflict had been averted. The hostility towards himself which his rôle of mediator had aroused abroad as well as at home he had been glad to put up with.

4) The British had proposed a collective reply to Italy in answer to her latest Note.³ France held that this procedure would require a meeting of the Co-ordination Committee solely for this question. This special meeting would be regarded by Italy as yet another extraordinary measure. In any case, there could be no doubt that determining the aggressor and resolving upon sanctions laid upon every League member who had voted in favour the obligation to adhere strictly to the resolutions adopted by the Council. For this reason alone, individual replies must be on parallel lines, and the agreeing of the text between France and Britain could serve as an example. Slight divergencies in the form of the reply were, of course, possible.

In any case, France would reply that she was committed to determining the aggressor and to sanctions, but would add that she had done all in her power to keep sanctions to a minimum.

5) As for Britain's future attitude, the end of the elections⁴ would restore to the British Government their necessary freedom of action. Having regard to the British mentality, it could be assumed that British public opinion and the British Government would reconcile themselves to the *fait accompli*, as already created or liable to result from Italy's overwhelming military successes, and that the British would revise their policy accordingly (*sic!*).⁵ Experience had shown that the British were much too practical in their thinking to strive to alter things when this was no longer feasible. To this extent, therefore, the present Italian action in Abyssinia and the lack of Abyssinian resistance could only contribute towards a solution of the situation.

The Minister President is obviously hoping that it will thus be possible for him successfully to resume his activity as mediator.

The Minister President then proceeded to develop his views on German-French relations. I shall report on this in a separate telegram.⁶

KÖSTER

³ See document No. 411, footnote 4.

⁴ A general election was held in Britain on Nov. 14, and resulted in the return of the Government with a large but reduced majority.

⁵ Thus in the original.

⁶ Document No. 415.

No. 413

6144/E459769-70

*A Deputy Director of Department II to the Legation in
Czechoslovakia*

Telegram

SECRET
No. 72BERLIN, November 16, 1935—6:10 p.m.
e.o. II Ts. 2309.

Drafting Officer: Counsellor Dr. Altenburg.

In accordance with our despatch 144-38 G. 9/11.35 of November 11,¹ Czech crowns to the value of 185,000 RM have so far been transferred to the Legation [for purposes of the Sudeten German Party]². This sum must be credited in its entirety to offsetting the election costs, as the financing of the newspaper project³ has been postponed for the time being. Therefore any part of the above-mentioned sum that has been disbursed for the newspaper must be repaid by the Party itself, so that the VDA is freed from any liability. Please work on the Party in this sense in accordance with Schmidt-Rolke's private letter of November 14.⁴

The sum earmarked for financing the *Movement*, fixed at 15,000 RM monthly, is further to be made available for disbursement, less 3,000 RM monthly which will be paid to the Party representative⁵ here. The sums still outstanding for October and November, which total 24,000 RM, are being sent to the Legation with the next courier.

RENTHE-FINK

¹ Not found.² The words printed in square brackets were deleted from the draft before despatch by Renthe-Fink.³ See document No. 285.⁴ Not found.⁵ At this point the name "Hollmann" has been deleted from the draft.

No. 414

8020/E577298-301

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 220 of November 16

ROME, November 16, 1935—8:20 p.m.
Received November 16—11:10 p.m.
III O 5627.

In my conversation with Mussolini today I began by giving him some details about Munich,¹ expressed gratitude for the laying of the

¹ Hassell attended the ceremonies held at Munich Nov. 8-9, 1935, to commemorate the anniversary of the National Socialist *Putsch* of 1923.

wreath at the Everlasting Vigil, and then it went on to speak of the happy outcome of the abortive Geneva manœuvre with the alleged statements by Krauel;² I said that the manœuvre had given us an opportunity publicly to define the basic principles of our policy, inasmuch as, in accordance with our conception of neutrality, we had stressed our non-participation in sanctions and our arms embargo.³ We would rigidly adhere to our attitude of non-participation in the conflict, particularly since certain people were only waiting for us to show some initiative; the present League of Nations held no interest for us at all and we were not considering cooperating with it, any more than we would cooperate in a policy directed towards [*sic*]⁴ Italy or Fascism, supposing anyone should pursue such a policy. Mussolini, after saying he fully appreciated our point of view in the matter of Krauel's statements, replied that he not only understood our remaining outside the conflict but welcomed it. He could not wish as it were to compromise Italy's friends, which was why he had discouraged visits by Gömbös and Starhemberg. He said, moreover, that in fact one was pursuing the policy . . . (group mutilated)⁵ indicated, namely, Soviet Russia. On the basis of information from you, I expressed doubt as to whether the Soviets now desired a catastrophe and were not barking rather than biting. Mussolini confirmed that, as regards sanctions, Russia was promising a mild imposition. But the general Soviet attitude towards National Socialism and the Fascists was not affected by this. Even the harmless laying of a wreath had accordingly been exploited as showing solidarity between the two ideologies.

I then set forth a few points where we viewed the Italian line of argument with misgiving, such as the occasional mention of the greater danger said to be threatening from Germany, or Mussolini's alleged observations to the *Dépêche Coloniale* (your telegram No. 238 of November 6 and our telegram No. 211 of October 30)⁶ concerning Germany's intention of demanding other people's colonies. As regards the former argument, Mussolini observed that it had only come up in passing and he had immediately suppressed it. He had never given the *Dépêche Coloniale* an interview and had not made the observation to which we took exception. I then showed him the relevant issue of the newspaper, which he said he was seeing for

² See documents Nos. 396 and 398.

³ See document No. 397, footnote 4.

⁴ The Rome draft (M254/M010946-51) here reads: "... a policy directed towards the overthrow of Italy or Fascism . . ."

⁵ The Rome draft here reads: "... that in fact one [Power] was pursuing the policy I had indicated . . ."

⁶ Neither of these telegrams has been found; the telegram control register shows that the second was repeated to Lisbon as telegram No. 91 of Nov. 2 (M276/M011480). The reference is presumably to an article by Alfred Silbert in the *Dépêche Coloniale* of Oct. 18, 1935, according to which Mussolini had stated that, unlike Germany, Italy did not covet the colonies of other States.

the first time. He had not received Silbert as a journalist but as the Deputy Leader of the "Croix de Feu".⁷ He noted the number of the issue and said that he would instruct Attolico accordingly. I asked whether the position was the same over the Suvich interview in *Le Journal*;⁸ he said that it was and referred to the *démentis* by Suvich himself⁹ [and] Attolico.¹⁰ I remarked that nevertheless a public *démenti* would have been better. The term Stresa sounded unpleasantly in our ears. To us it meant a front against Germany, or at least excluding her, and a tangled and dishonest system of pacts, both things that were better not brought up again, but which also cropped up in yesterday's press quotation [*sic*] of the *Popolo d'Italia*.¹¹ We did not need the cooperation of the Little Entente or of anyone else to settle the question¹² which might be at issue between us. Mussolini heartily agreed; the question¹² between us could be settled when we were out of the present crisis. But Stresa was over and done with, and so was the system of pacts I had described. When I said that the pact to which we were prepared to adhere, because it was clear and intelligible [*sic*]¹³ and firmly defined, was Locarno, he replied that he thought that this pact's future, too, was problematical. In any case, he had had the Belgians informed that Italy must now consider whether she could abide by it, because she no longer had any cause to guarantee Belgian . . . (group missing).¹⁴ I then asked whether endeavours to obtain a Mediterranean pact were perhaps being made. Mussolini denied this and said that he had merely suggested that in place of single measures in respect of [Italian] troops in Libya and the British fleet in the Mediterranean (measures which lacked equality), there should be a general military *détente* between Britain and Italy; the British had, however, so far been unwilling to take this up. I may here observe that today Sir Eric Drummond gave me a similar description of the points of disagreement, but one that differed somewhat from the information recently supplied by Suvich (telegram No. 218 of November 13),¹⁵ namely, in respect of Mussolini having only been willing to agree to the withdrawal of one division, followed by the withdrawal of two British ships, provided both countries simultaneously issued a communiqué stating that these measures were being taken in an endeavour towards obtaining a general *détente* in the Mediterranean. Since the British Government were not so inclined, he (Sir Eric Drummond) had suggested . . .

⁷ An association of French ex-service men, of which Colonel de la Rocque was the head.

⁸ See document No. 411, footnote 1.

⁹ See document No. 411.

¹⁰ Neurath noted a *démenti* by Attolico in a minute of Nov. 13 (2784/540448).

¹¹ The Rome draft here reads: ". . . in yesterday's press, e.g., the *Popolo d'Italia*."

¹² The Rome draft here reads: "questions".

¹³ The words "and intelligible" do not appear in the Rome draft.

¹⁴ The Rome draft here reads: ". . . Belgian frontiers".

¹⁵ Document No. 411.

(group mutilated)¹⁶ in the communiqué the words "after the ending of the present crisis" (which would have put¹⁷ a very different complexion on Mussolini's proposal). Mussolini also remarked in this connection that, since France had, step by step, drawn nearer to Britain and since, in addition, the internal and financial situation in France was extremely strained, he could at present see no way out *via* some form of mediation. Yet he must admit that the most recent discussions had manifested that Britain desired an agreement *per se*, but a basis for one had not yet been found, the more so since, even were agreement reached about the Mediterranean, the main problem of Africa would immediately come up again. For the time being Britain was firmly adhering to [her] course and appeared to be intending to turn the screw ever tighter. Thus she was now putting financial pressure on Austria, who had hitherto bravely defended herself. Hence, too, she had also put pressure on America and elicited Hull's latest statement,¹⁸ which in fact was very serious for Italy. Particularly so, if it were to result in an embargo on petroleum and oil, which, at the moment, he still hoped it would not. Italy and Germany were nations little favoured by fortune; as soon as one or other raised their head, there stood Britain the possessor, ready to deal them a heavy blow. I expressed doubts as to whether Britain really desired the overthrow of Mussolini and the collapse of Italy. Mussolini confirmed that Hoare had solemnly denied such intentions to him; but that made little difference to what was actually happening. Apart from this, if Britain feared Communism, she ought to realize that no policy more strongly promoted it than the policy of sanctions, which was increasing the confusion of the European economy to a maximum and, besides, was forcing Italy to go over, *de facto*, to a collectivist economy, for that would in truth be the consequence of the coming into force of sanctions on November 18.

HASSELL

¹⁶ The Rome draft here reads: "... had suggested including in the communiqué ..."

¹⁷ The Rome draft here reads: "... would certainly have put ..."

¹⁸ Evidently a reference to Hull's statement of Nov. 15; for the text see *Documents on International Affairs, 1935*, vol. II, pp. 287-288.

5669/H015561-68

No. 415

The Ambassador in France to the Foreign Ministry

Telegram

No. 1161 of November 18

PARIS, November 18, 1935.

Received November 18—6:45 p.m.

II Fr. 4006.

With reference to my telegram No. 1148 of November 16.¹

Following the conversation about the Italo-Abyssinian conflict,² Laval emphasized once again that he was particularly anxious that there should be an improvement in German-French relations. He saw in it the basis upon which conditions in Europe could be stabilized.

As far as practical measures were concerned, he considered that an exchange of views would only be possible if Britain were included, and that from the start. The British Government must be informed of all stages of the conversations. He was convinced that without British cooperation it would be impossible to achieve that aim which, on both sides of the German-French frontier, it was desired to achieve. When I asked what the Minister had in mind, he set forth the following train of thought:

The new German Government had, on various occasions, in speeches and interviews—chiefly through the mouth of the Führer and Chancellor—given expression to their friendly attitude and their desire to cultivate good-neighbourly relations with France. He, Laval, considered that this was a most appropriate moment at which to publish a “diplomatic document” which should once again stress the desire of both the German and the French Governments to remain on a good-neighbourly footing and to cultivate relations of mutual trust. Undoubtedly the Locarno Treaty was so outstanding an instrument that such a document appeared almost illogical. Nevertheless, he thought that a document emphasizing once again the goodwill on both sides was necessary, and that above all it would constitute a “preamble” to the negotiations on concrete questions, such as, for instance, the limitation of armaments and the Air Pact. Public opinion in France, and indeed all over the world, would undoubtedly be favourably affected and, above all, the present extremely tense atmosphere would give way to a calmer assessment of the overall situation.

It also seemed to him that the existence of such a document would be very useful (!!)³ at a time when the debate in parliament on the

¹ Document No. 412.

² These words do not appear in the memorandum cited in footnote 6 below.

³ These exclamation marks do not appear in the memorandum cited in footnote 6 below.

ratification of the Franco-Russian Pact was about to be held. It would be of particular value to him if the Führer and Chancellor could repeat, in the document addressed to France, that it was not Germany's intention to attack Russia. This ought to be all the easier for him to do, since he had already repeatedly declared that Germany was disinterested in Russia. Furthermore, he, Laval, would not fail again publicly to point out during the above-mentioned debate that the treaty in question was in no way directed against any third country. The declaration concerning Russia which he was requesting from the Führer and Chancellor would therefore also serve the purpose of providing confirmation by the German Government that they did not regard the Franco-Russian Pact as an instrument directed against Germany.

The Minister asked what I thought of these ideas. I avoided going into the individual ideas, particularly the inclusion of Britain and the Franco-Russian Pact, in detail, and merely replied that it seemed to me that the common aim would be more likely to be achieved if a somewhat different procedure were adopted. In my view one should begin by singling out one or other of the unsolved problems and trying to find a solution acceptable to both parties. Which problem would be the most suitable for this was still a matter for consideration. This procedure might perhaps have the advantage that a single problem successfully solved would create a favourable atmosphere in which to discuss other difficult problems. Only after a success of this kind had been achieved would I think it worth considering making a declaration of the kind which the Minister envisaged as a "preamble" but which I envisaged more as an epilogue. If one were to begin with a general statement one would, after all, run the risk that the outcome of the subsequent negotiations might not at all, or might only very partially, fulfil the expectations aroused by this declaration.

The Minister disputed this argument, making particular reference to the observations regarding France contained in the book *Mein Kampf*. Even today these passages still caused French public opinion more disquiet than I could imagine. Although he had not forgotten that, as I had frequently pointed out, the book should be read and judged in the light of the occupation of the Ruhr, and that the appeal for an understanding, which the Führer and Chancellor made to France after taking over the Government⁴ and on subsequent occasions, was unshakeable, it was, however, not possible to persuade French public opinion that the views set forth in his book did not still today represent the basis of Germany's policy *vis-à-vis* France, particularly in view of Germany's extensive rearmament and of the

⁴ The reference would appear to be to Hitler's speech to the Reichstag on Mar. 23, 1933; see *The Speeches of Adolf Hitler 1922-1939*, edited by Norman H. Baynes (hereinafter cited as Baynes: *Hitler's Speeches*), vol. II, pp. 1015-1020.

speech Minister President Göring made in Breslau,⁵ when *Mein Kampf* was once again described as the basis of the policy of National Socialism. (My interjection that the chapters on France had nothing to do with the German's attitude to National Socialism as laid down in the book did not find acceptance with the Minister President.) It was particularly on account of these last two facts that the preamble which he envisaged was absolutely essential. One might, while drafting this declaration, also proceed to choose one or the other problem to be the subject of negotiations.

The Minister concluded his remarks by saying that he would be very grateful if he could be informed as to what were, in principle, the German Government's views on his ideas.

In order to avoid misunderstandings I yesterday submitted to M. Laval a French translation of a memorandum on our discussion. He confirmed it to be a true rendering, with the following exception: My draft—I had purposely condensed his remarks—referred to the publication of the "general declaration" *after* the ratification of the Franco-Russian Pact and was confined to a declaration of mutual desire for good-neighbourly and trustful relations. He attached great importance to the publication of the declaration *before* the parliamentary debates and to the inclusion of the passage concerning Germany's renunciation of any attack on Russia.⁶

As seen from here it seems to me that Laval's ideas should be considered under the following aspects:

(1) There is no doubt that, as has already been reported more than once, Laval and the greater part of the French people definitely desire a lasting understanding with us. This desire is strengthened by the fear, widely prevalent among the French people, that the present Italo-Abyssinian conflict might easily lead to European complications in which France might somehow become involved. The fact that Laval, who is considered to be an extremely able and even subtle practitioner of foreign policy, was only with the greatest difficulty able to extricate himself from the difficult situation resulting from the aggravation of the Anglo-French controversy has caused profound disquiet. Since, in the French view, the so-called German threat has considerably increased in consequence of Germany's rearmament and the weakening of Italy, the main task of French foreign policy is held to be that it devote its full attention to the German-French problem and, if possible, obtain even more binding guarantees for France's security.

⁵ In a speech on "the Party and the State" at a conference of NSDAP Gauleiter on Oct. 26, 1935.

⁶ With report A 5452 of Nov. 25 (8219/E584016) Köster enclosed a copy of a memorandum, dated Nov. 15 (8219/E584017-18), on his conversation with Laval, which the latter had approved, and which is an exact French translation of the first four paragraphs of the document here printed, with the exceptions noted in footnotes 2 and 3 above.

(2) If Laval, whose position for the next few months as regards internal—and perhaps also external—affairs has in any case been weakened by his foreign policy, should succeed in embarking upon the forthcoming parliamentary debates and the imminent election campaign with a document signed by Germany, thus proving that he had succeeded in binding Germany still more firmly *vis-à-vis* France, and, in consequence, reducing the danger believed to be threatening from Germany, then he will not only be able to silence the criticisms levelled against him but will gain a position for himself such as only Briand in his best days achieved.

(3) From Laval's train of thought it emerges incontestably that he, too, rejects a bilateral understanding on unsolved problems pending between the two countries, though with the variation that Britain has now taken the place of the Little Entente, which up to now provided the pretext for refusing bilateral negotiations. It would probably not be a mistake to assume that, in view of the present general situation, Laval fears a further extension of the understanding between Germany and Britain on the model of the Naval Agreement, and that, by bringing Britain into the negotiations, he hopes to achieve two ends:

a) If possible, the prevention of a further German-British assimilation of ideas without France being brought in.

b) The improvement of relations between Britain and France, which have been somewhat impaired, by choosing Britain as mediator between Germany and France. He undoubtedly expects this to lead to Britain being more closely bound to France also.

(4) The possibility of pointing to a conciliatory attitude on the part of Germany towards the Franco-Russian Pact would naturally help on its ratification in no small degree. As experienced politicians such as Flandin have told me recently, it would seem that the idea is gaining ground, particularly in the provinces, that France with her policy of collective security is in danger of achieving the opposite of what she desires. As the Italo-Abyssinian conflict and particularly the Italian controversy have shown, this system has the disadvantage that France may, at a moment inconvenient to her, have to declare for one side or the other, with all that this would entail. At the forthcoming parliamentary debates this point of view will undoubtedly be brought forward by the opponents of the Franco-Russian Pact. If, as a result of an agreement with us, M. Laval is able to say that Germany, against whom the Treaty is directed, takes no exception to it and furthermore is issuing a declaration of non-aggression with regard to Russia, then he will have all the means required not only to disarm his opponents but also further to improve Franco-Russian relations at our expense. There can be no doubt that Moscow would be very pleased with such a result and would moderate

their intrigues against Laval, whom they mistrust. At the same time he would, since the forthcoming elections will probably end in a victory for the *front populaire*, have made himself popular with the Left, particularly with the radical wing.

Taking it all in all, one is unfortunately compelled to conclude from the above that the German-French negotiations envisaged by M. Laval are not designed to achieve their ostensible aim, but rather to camouflage and improve the awkward international situation in which the Minister President finds himself, in particular where his relations with Britain and Russia are concerned, and in addition to help him to overcome his domestic difficulties.⁷

KÖSTER

⁷ Another copy of this document (1514/372333-40) bears the following marginal notes: (i) "Immediate. [To be submitted to the] R[eich] C[hancellor] with a memorandum on a conversation with Poncet [document No. 418]. v. N[eurath], Nov. 19." (ii) "The Reich Chancellor is informed. L[ammers], Nov. 22." This copy is also initialed: "H[itler]."

No. 416

6691/H098607-09

Memorandum by a Deputy Director of Department III

BERLIN, November 18, 1935.
zu IV Chi. 2045.¹

Fürholzer, the Transocean representative in Shanghai, left there at the end of October, at the instance of the Chinese Minister President, Wang Ching-wei, and went by air to Germany from Singapore in order to hand over to Consul General Kriebel, with the request that the Führer and Chancellor's views be obtained on the points contained therein, a memorandum apparently drawn up in mid-October after a three-day discussion between Wang Ching-wei and Marshal Chiang Kai-shek. If the Führer were to state that he agreed in principle to the Chinese proposals, the Chinese Government would approach us through official diplomatic channels.

According to the memorandum there is:

1. A possibility of a compromise between Japan and China.
2. A possibility of cooperation between Germany, China and Japan in the economic and anti-Communist spheres.
3. A question as to whether Germany would be willing to act as intermediary in order to set in train cooperation between the three countries mentioned. On the grounds of his outstandingly good rela-

¹ Not printed (6691/H098606); this was telegram No. 31 of Oct. 31 from Trautmann reporting that Fürholzer had stated that he was leaving for Germany with a letter from Wang Ching-wei for the Führer.

² Not found.

tions with Japanese circles, Ambassador (retd.) Solf³ should, Wang Ching-wei proposes, be the one to take soundings with the Japanese.

4. China would welcome such a step on Germany's part.

According to Consul General Kriebel, discussions with Japanese military representatives here about German-Japanese cooperation have been in progress for some time.⁴ But no agreements are being considered that would go beyond the promise of benevolent neutrality in a conflict between Japan and the Soviet Union and/or between Germany and the Soviet Union, for the purpose of preventing the Russians from being able to denude their Western and/or Eastern front of troops. It was intended in the further course of the discussions to inform Poland and Britain too, and possibly to make them parties to this combination. Germany's interest in including China lay in the fact that China would become suspicious if she were to hear of German-Japanese negotiations. An understanding between China and Japan would also be of advantage to German exports to both countries.

According to Consul General Kriebel, Ambassador von Ribbentrop sounded the Japanese Military Attaché here as to what attitude Japan would adopt towards the inclusion of China in the German-Japanese agreements directed against the Soviet Union, without, however, disclosing the Chinese suggestion. General Oshima replied that the Japanese military authorities were interested in a settlement with China and with Britain. He also showed sympathy for Herr von Ribbentrop's observation that Germany, like Japan, needed raw materials and China was a favourable market for these.

After Ambassador von Ribbentrop and Consul General Kriebel had jointly reported to him, the Führer and Chancellor expressed his readiness, in principle, to comply with the Chinese suggestion. Thereupon Consul General Kriebel despatched on November 15 the following telegram to the Chinese Minister President, which Herr Fürholzer sent in an English code to his wife in Shanghai for forwarding:

"I am delighted to be able to report that the Reich Chancellor takes the warmest interest in a Sino-Japanese settlement. The Führer is grateful for your suggestion and friendly confidence. Consultations have been set in train. Their continuation necessitates a discussion immediately after return on [the] "Potsdam". The Führer asks you meanwhile not to use diplomatic channels. My warm congratulations on your recovery. Kriebel."

Herr Kriebel added that it had been decided not to entrust Am-

³ Wilhelm Solf, State Secretary of the Reich Colonial Office 1911-1918, State Secretary of the Foreign Ministry October-December 1918, German Ambassador in Japan 1920-1928.

⁴ No record has been found, but see Editors' Note, p. 948.

bassador Solf with the proposed mission, in order to keep the threads in our own hands here. He would ask the Chinese Minister President what practical form China thought the proposed cooperation should take and in what way we could be useful to the Chinese in this respect.⁵

ERDMANNSDORFF

⁵ Marginal note: "Top Secret. To be filed under seal. N.B. S[tate] S[ecretary] and D[irector of Department] III are informed. E[rdmannsdorff], Nov. 18."

No. 417

8656/E606058-59

The Minister in Austria to the Führer and Chancellor

No. 108 of November 19 VIENNA, November 19, 1935—9:15 p.m.

Received November 19—11:30 p.m.

II Oe. 3283.

For the Führer and Chancellor.

[The Foreign Minister today gave a luncheon for the Anglo-American press. Asked about his resignation he said that he would remain as long as Starhemberg wished and it was the latter's wish that he should remain.]¹ Yesterday evening there was held a private meeting of leading Legitimists which was addressed by Fürstenberg,² Schönburg,³ Fey,⁴ and Wiesner. Wiesner, a leader of the Legitimists, said that in Paris he had succeeded in obtaining the most active support for his endeavours, but he had been told in London that they wished

¹ The square brackets indicate the passages omitted when the text of this document was transmitted to the Embassy at the Holy See and to the other Missions noted in footnote 6 below. The despatch to the Embassy at the Holy See, which was sent on Nov. 26 (8656/E606063-66), contained in addition the following instructions: "The following should be noted in respect of this report from Vienna: It is not unlikely that, in their desire to keep up the hostile attitude so far displayed towards the Reich, the Austrian Government consider that their last expedient will be a restoration of the Habsburgs.

"In our view a restoration of the Habsburgs in Austria is wholly undesirable. It would mean a further complication of our relations with Austria, and in addition a serious disturbance of all political relations in the Danubian region and in central Europe. We cannot, therefore, regard the return of the Habsburgs as a purely internal Austrian affair, to which would apply the principle of non-intervention—which we have otherwise observed towards Vienna—but must regard it as an international problem of grave import. In addition it would appear, given the present conditions in Austria, that a genuine plebiscite on the return of the Habsburg monarchy would be out of the question. We would, accordingly, most determinedly oppose a return of the Habsburgs. But we do not wish to act as trace horse for other Powers; on the contrary, we consider that, in the first place, those States are called upon to play an active part whose national existence, in the event of a restoration, would be directly threatened by Habsburg ambitions.

"You should hold language in accordance with these views in any conversations you may have on the Habsburg question, but you should avoid taking the initiative in entering on such discussions. It would, however, be of interest to learn what you can ascertain at your post regarding the attempts of the Vatican, as reported by our Embassy in Vienna, to afford diplomatic support to the return of the Habsburgs."

² Presumably Karl Emil Prince Fürstenberg.

³ General Schönburg-Hartenstein, former Major General in the Imperial Army, member of the Heimwehr and Minister for National Defence Mar. 12–July 10, 1934.

⁴ Fey had been dropped from the Schuschnigg Cabinet on Oct. 17, 1935; see document No. 363 and footnote 1 thereto.

to remain neutral. Given the situation as a whole, he took a more optimistic view than ever before of the possibilities of a restoration. Fey stated amidst great applause that the Emperor would return in all circumstances. [It is noteworthy that as from yesterday Fey has resigned the Vienna Heimwehr to Starhemberg and has pledged himself to take no further prominent part in domestic politics. On the other hand he is apparently trying to launch himself afresh in the field of foreign affairs.] I hear that Starhemberg too is supposed to be going to take part for the first time in a public Legitimist meeting which is to take place within the next few days; but this does not mean that he approves of Legitimist aspirations. He has made his attendance dependent on the question of the Legitimists joining the Fatherland Front, a question about which agreement has now been reached. I further learn from a very good source that, in its directives issued on November 7⁵ to Federal Chancellor Schuschnigg, the Holy See regarded the speedy restoration of the Habsburgs as Austria's only possible way out of the present involved situation. The Vatican, so I am told, is prepared to support the Austrian point of view in negotiations on this subject with the Powers. The Vatican will be the more willing to do so because it believes that a provisional regency by Prince Starhemberg might entail undesirable surprises and should therefore definitely be avoided.

It emerges [with certainty] from this and other information that the Habsburg question has again come to the fore. It may be assumed that, as Italy's position grows increasingly difficult, the restoration question will be pursued on the assumption that Franco-British pressure on the Little Entente will be strong enough to induce them to keep quiet. [Hitherto I had always taken the view that special fear of intervention by Belgrade would restrain the Government here from adventures. But it seems as though they can find no other way of pursuing their anti-German policy. I submit that it is for consideration whether, given this situation, it would not be desirable to let it be known in Paris and London, whilst pointing out the increased propaganda here and the disturbances that might be expected in central Europe, that Germany would not accept such a development; but before doing so we should first await for Starhemberg's making his appearance among the Legitimists.]¹

PAPEN

⁵ An unsigned memorandum dated Nov. 14 (4939/E272717-22) in the files of the Legation in Vienna gives details of recommendations alleged to have been conveyed to the Austrian Government by the Papal Nuncio on Nov. 7.

⁶ The text of the document here printed, minus the passages indicated in footnote 1 above, was sent as Circular II Oe. 3283 of Nov. 26 (8656/E606067-68) to the Missions in Rome, Paris, London, Prague, Budapest, Bucharest, Brussels, Berne, Belgrade and to the Consulate at Geneva, with instructions that: "As regards our attitude to this question the directive contained in our despatch of July 11, II Oe. 1784, Ang. II [see document No. 198, footnote 6], still obtains and you are referred to it for language to be held. To Rome only: The Embassy to the Holy See has received separate instructions."

No. 418

1514/372341-44

Memorandum by the Foreign Minister

BERLIN, November 19, 1935.

RM 880.

This morning the French Ambassador called on me in order, as he said, to tell me of the impressions he had gained during his latest visit to Paris.

M. Poncet began by saying that he had found a substantial change in the general atmosphere in Paris. The harsh behaviour of the British in the Abyssinian-Italian conflict had called forth great bitterness throughout France. The Ambassador immediately added, however, that this should not lead one to conclude that it would have a significant effect on Franco-British relations. Disputes between France and Britain had been the order of the day ever since the World War, but the conviction that France and Britain must hold together in the interests of maintaining peace in Europe was so deep-rooted in the French people that even a profound dissatisfaction with the methods of the British would not affect it in any way.

On the other hand, the view that it was necessary to agree with Germany had gained considerable ground not only amongst the French people in the countryside but also among political circles in Paris, though it was desired not to come to an understanding with Germany alone but only in conjunction with Britain. All discussions which might come about between France and Germany in consequence of this attitude would, therefore, have to take place with the full cognizance of Britain.

As far as M. Laval was concerned, it was known that his aim was an understanding with Germany, and he had once again told him [François-Poncet] that this was so. In order to bring this understanding about, Laval had in mind the conclusion, already provided for in the London Protocol,¹ of an air and limitation of armaments convention. First, however, M. Laval would propose to the Chamber the ratification of the Russo-French Agreement. This Agreement was in no way directed against Germany and was solely designed to secure general peace in Europe.

When I interjected that this interpretation of M. Laval's did not appear to accord with the actual text of the Agreement, M. Poncet replied that Laval had instructed him expressly to assure us here that the Agreement was of a purely defensive nature.

In order to start allaying public agitation, M. Laval was thinking

¹ i.e., the Joint Anglo-French Declaration of Feb. 3, 1935; see document No. 46, footnote 3.

of a joint declaration to follow an audience which the Führer and Chancellor might grant the Ambassador who would then set forth Laval's ideas. When I asked what form he envisaged this declaration as taking, M. Poncet replied that, after referring to the fact of the audience, one could perhaps say that the conversation between the Führer and Chancellor and the French Ambassador had been concerned with general political questions and that it had become apparent that both Governments were agreed in their desire to serve the cause of peace in Europe on the extended basis of the existing Pacts. I said to M. Poncet that this meant that in this way M. Laval intended to cause us to give our blessing to the Russo-French Pact whilst at the same time enabling M. Laval to counter the opposition put up by the right-wing parties in France to the ratification of the Russo-French Pact by pointing out that Germany herself had specifically approved this Pact. M. Poncet denied only that the latter intention existed. He made no mention of an explicit assurance in writing that we had no intention of attacking Russia such as Laval had suggested to Ambassador Köster (telegram No. 1161 of November 18).² (I was not yet aware of Köster's telegram when I saw M. Poncet.)

In reply to M. Poncet's suggestion I said that it seemed to me that it would be the wrong course to open possible conversations on a Franco-German *rapprochement* with a solemn declaration which would at the same time announce recognition of the Pacts to which France was already a party. The Führer had already repeatedly stated publicly and solemnly his willingness to hold German-French talks and his desire for improved German-French relations. There had, however, so far been absolutely no response from France, and, in particular, M. Laval had not replied to the Führer's latest major speech³ in any way. The Ambassador sought to explain this as being due to the conflict between Abyssinia and Italy, which had in the meantime become acute, and the controversy with Britain about it. From his further remarks I gained an increasingly strong impression that M. Laval's primary concern is to make use of the joint declaration desired by him to take the wind out of the sails of the Opposition in France. This may further be deduced from the fact that the Ambassador was in a great hurry to have an audience of the Führer and Chancellor in order to give him this so-called message from M. Laval and obtain from him the desired declaration for the debate in the Chamber, which may probably be expected to take place in the next few weeks, on the ratification of the Russo-French Pact. When I asked how he assessed Laval's position the Ambassador replied that, when he had left, both he and M. Laval had assumed

² Document No. 415.

³ Of May 21, 1935; see Editors' Note, p. 171.

that Laval could count on remaining at the helm for at least another few months. In the meanwhile, of course, the situation had once again been altered by the events in Limoges on Sunday⁴ and it was uncertain whether Laval would be able to stand his ground against the attacks which could be expected from the left-wing Opposition.

V. N[EURATH]

⁴ The reference would appear to be to incidents following a meeting of the Croix de Feu held on the evening of Saturday, Nov. 16 (see *The Times* of Nov. 18, 1935).

No. 419

5669/H015569-72

Memorandum by the Director of Department II

BERLIN, November 19, 1935.

zu II Fr. 4006.¹

With reference to the Paris Embassy's telegram¹ about M. Laval's suggestion for improving German-French relations by means of the "diplomatic document" proposed by him, Department II have the following comments to make:²

Laval's suggestion is clearly recognizable as a means to other, particularly domestic, ends; it cannot be regarded as a really feasible point of departure for a German-French exchange of views. However desirable it may be from our point of view that Laval should continue at the Quai d'Orsay (since, of the eligible French politicians, he probably offers the best guarantees of a sensible and basically favourable policy where we are concerned), yet we cannot, fully though we may appreciate this fact, accept the rôle which he has now assigned to us. The Ambassador in Paris will therefore presumably have to be instructed to reply to M. Laval's suggestions approximately along the following lines:

I. There is no plausible reason for the German declaration to

¹ Document No. 415.

² Marginal note: "[For the] R[eich] M[inister]. Köpke, at present acting St[ate] S[ecretary]." A minute by Renthe-Fink of Nov. 19 (5669/H015573-74) reads: "St[ate] S[ecretary]. A memorandum by Herr von Rintelen [evidently the document here printed was drafted by Rintelen] on the telegram from Paris of Nov. 18 [document No. 415] is submitted herewith. Ministerialdirektor Köpke has given this memorandum to the Foreign Minister as Repentance Day [i.e., in the calendar of the Evangelical Church, Wednesday, Nov. 20, 1935] reading.

"The memorandum does not yet take into account the fact that the French Ambassador called on the Foreign Minister this afternoon [*sic*: see document No. 418] to make a similar proposal on instructions from M. Laval; this, however, differs on various points from the proposal reported by Herr Köster. Further details will be found in the Foreign Minister's memorandum.

"The Foreign Minister spoke by telephone with the Führer and Chancellor about the French Ambassador's proposal, and told him that the matter was not urgent, and that it would suffice if he could discuss it with the Führer on the latter's return on Thursday evening [Nov. 21]."

This minute was initialled by Bülow on Nov. 20. See also document No. 423.

France desired by M. Laval, unless it be admitted that there is after all some justification for the ineradicable suspicions of German policy entertained by interested parties. Above all, the book *Mein Kampf* provides no reason. The French Government have known for years exactly what has been National Socialist Germany's basic attitude in matters of foreign policy since the seizure of power. Germany has stretched out the hand of friendship to France often and clearly enough and it is perfectly well known in France, too, that we have no intention of attacking anyone—including Russia.

But to repeat these statements once again to the French Government in writing, and with special reference to Russia at that, and at the very moment when the French Government are about to submit the Franco-Russian Pact of Understanding to parliament for ratification, is out of the question. Even M. Laval cannot wish to assert that the forthcoming ratification of a treaty instrument which, as is clear from its text, is directed against us alone and which, in our opinion, conflicts with the spirit of the Locarno Pact, should in any way give us cause to make such a declaration.

II. However obvious the advantage which the French Government might derive from the written declaration required of us, it is difficult to see what we should gain from it. If M. Laval regards this declaration as a "preamble" to German-French-British negotiations, then this "preamble", in turn, would have to consist of a mutual exchange of declarations. *Per se* it would be conceivable that France might make us some such declaration as, for instance, that she regarded the dispute about the admissibility of German armaments as finally settled and would abandon the policy of the so-called assistance pacts which are, ultimately, directed against Germany. But M. Laval will hardly be in a position even to consider making such a declaration. So much the less should he expect us to make a declaration which would amount to our withdrawing our objections to the Franco-Russian Pact.

III. If we are thus compelled to reject M. Laval's present suggestion, this does not of course mean that we have in any way allowed ourselves to be deflected from our efforts to improve German-French relations. Nor has it hitherto been our fault that, during the last few years, any start made on German-French conversations has remained fruitless, for in 1934 such beginnings came to nothing owing to the French Government's attitude in the armaments question, and in 1935 mainly owing to the conclusion of the Franco-Russian Pact. But, precisely because we desire a frank exchange of views with France, we cannot prejudice them by a false start such as would be made were we to withdraw our objections to the Franco-Russian Mutual Assistance Pact and, moreover, sanction it by addressing to France declarations destined for Russia. Such a "preamble", of

which, moreover, no one in Germany would be able to approve, would only harm the concept of a German-French settlement.

The present time is already so beset with difficult problems that it must be doubted whether a German-French or German-French-British exchange of views could now be initiated with any prospect of success. It is rather to be feared that, were such an exchange of views to take place today, extraneous aspects, derived from the present conflicts in Europe and East Africa, would at once intervene, disturbing the conversations and distorting their effect. In the circumstances it would be best for the time being to await developments in these conflicts and, in the meanwhile, to continue, as we have previously done, to keep German-French relations as free of disturbances as possible and to eliminate such points of friction as are still left over from an earlier period. In the latter respect, especially, the French Government could do some very useful work in preparation for a future exchange of views.

KÖPKE

No. 420

769/270845-46

The Reich War Minister and Commander in Chief of the Wehrmacht to the Commanders in Chief of the Army, Navy and Luftwaffe

No. 629/35 g. Kdos. Ausl. VIII

BERLIN, November 19, 1935.

II M 87 g.

Subject: The demilitarized zone.

According to information I have received from the Foreign Ministry, the latter view the situation in the demilitarized zone with some anxiety, and fear that severe damage to the interests of the people [*Volk*] and the Reich might ensue from the non-observance of the military restrictions¹ which apply to this zone.

By our signature of the Locarno Pact we voluntarily recognized the demilitarized zone set up by the Versailles dictate. In his speech to the Reichstag on May 21 of this year,² the Führer formally declared that the Reich Government would adhere to and fulfil all the obligations arising from the Locarno Pact as long as the other parties to the Treaty were also prepared, for their part, to adhere to this Pact.

I therefore again request the Commanders in Chief of the branches of the Wehrmacht to ensure that, in accordance with the wish of the Führer and Supreme Commander of the Wehrmacht, military *desiderata* and claims for the demilitarized zone are in

¹ See document No. 32, footnote 3.

² See Editors' Note, p. 171.

keeping with the restraint and reserve demanded for reasons of State.

In particular I request the Commander in Chief of the Army to instruct the Generals commanding Army Corps V, VI, and IX³ strictly to supervise, within the areas under their command, all military measures for the Rhineland zone which have already been decided upon or which will be determined in future, and the activities of the Landespolizei. With all sympathy for the aspirations of the L[andes]-p[olizei] to military bearing and activity, they must be made to realize that it is in the highest interests of the State that they should exercise patience and be content with their difficult and thankless task.⁴

I request the Reich Air Minister to supervise in a similar fashion the activity of the German Air Sport Association in the demilitarized zone.

V. BLOMBERG

To the Foreign Ministry, for the attention of Senior Counsellor Frohwein.

A copy is transmitted for your information. The order is the result of a discussion which took place on November 2, 1935, between State Secretary von Bülow and Lieutenant Colonel Scheller.⁵

By order:
KEITEL⁶

³ i.e., the Army Corps whose areas bordered on the demilitarized zone, with headquarters at Stuttgart, Münster and Kassell respectively.

⁴ See also documents Nos. 56, 118, 147, and No. 242 with footnotes 2 and 3 thereto.

⁵ No record of this discussion has been found.

⁶ Maj. Gen. Wilhelm Keitel, Chief of the Wehrmachtsamt of the Reich War Ministry since October 1935.

No. 421

8017/E577021-23

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 232

LONDON, November 20, 1935.

Received November 21—11 a.m.

III O 5749.

I availed myself of my conversation with Sir Samuel Hoare today to enquire about the present state of affairs in the Italo-Abyssinian conflict.

The Foreign Secretary stated that the election results¹ implied

¹ See document No. 412, footnote 4.

widespread approval of British foreign policy by the British people. On the one hand, the Left with its insistence on intensifying sanctions to the point of warlike measures had suffered a severe electoral defeat; but, on the other hand, the endeavours of certain extreme right-wing circles who had been preaching *laissez faire* had not received popular approval either. The election victory might therefore be described as a victory for the centre, that is to say, a victory for precisely the foreign policy which the Government represented.

From this alone it was evident, he said, how foolish was the opinion that was for ever being expressed outside Britain that after the elections the British Government would change their policy, that is to say, would weaken it. There was no question of this. On the contrary, British policy would continue on the same lines as had been publicly laid down by the Government representatives before the elections.

Sir Samuel did not contradict my observation that Italy's attitude appeared to have stiffened since my conversation with Sir Robert Vansittart on November 8.² He also stated that the attempted *détente* in relations between Britain and Italy, which, as was known, was to be brought about by the withdrawal on the one side of troops from Libya and on the other of ships from the Mediterranean, had not yet been achieved. He said that Mussolini had wished to extend the conversations in question to a general discussion about the situation in the Mediterranean, but that he had made no clear and tangible proposals. The British Government had described such a broadening of the subject of the discussions as not feasible at the moment, but had added that, if Mussolini really had practical proposals to make, they desired him to put them forward so that the British might study them. But so far there had not resulted any clarification of Mussolini's ideas and intentions.

During this conversation, the Foreign Secretary asked me whether, as one often heard said, the prospects for an understanding between Germany and France had improved, and whether it was true that Ambassador von Ribbentrop would shortly pay a visit to Paris. I replied that I knew from French sources that at present Laval, if only to improve his shaky position at home, was toying with the idea of making an attempt to reach an understanding with Germany, and the possibility of thus securing for himself a great triumph in foreign policy. Apart from this I knew nothing; nor did I know whether reports in the press alleging that Ribbentrop was about to visit Paris were accurate.

At the close of the conversation we also spoke of the familiar matter of the, meanwhile suspended, British demand for certificates

² See document No. 404.

of origin for German exports to Britain.³ Sir Samuel remarked that the known precedents in the case of the British embargos *vis-à-vis* Russia and/or France seemed to him to weaken our legal position in the dispute. He was not concerned, however, with fighting out the fundamental legal question; rather, he only desired that a practical solution be found which would render impossible the unwelcome transit of Italian goods to Britain *via* Germany. He much hoped that, in the discussions which had now been set in train, such a solution might be achieved by a friendly understanding.

HOESCH

³ In a Note of Nov. 13 (8016/E576634-35) the British Ambassador informed the German Foreign Minister that, in order to prevent the import of Italian goods into the United Kingdom, certificates of origin would be required in respect of goods imported into Britain from Germany and certain other countries after midnight on Nov. 17-18. In memoranda of Nov. 15 (8016/E576654-58) and Nov. 16 (8016/E576672-76) Ritter recorded instructions telephoned to Hoesch to protest against this measure. In airgram No. 228 of Nov. 16 (8016/E576680-82) Hoesch reported that, following his protests to Vansittart and Ashton-Gwatkin at the Foreign Office, the British measure had been suspended pending further discussion. Further documents on this topic have been filmed on Serial 8016.

No. 422

8921/E625110

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 231

LONDON, November 20, 1935.

Received November 21—11:45 a.m.

IV Ba. 5372.

When I saw Sir Samuel Hoare today,¹ he raised the Memel question of his own accord.

He said that the British Government by no means approved Lithuania's conduct and that they had exerted the strongest pressure in Kovno for a restoration of the Memel Statute. The British representative in Lithuania had had several conversations with the Lithuanian Foreign Minister and had been most outspoken. The British Government would continue to make vigorous efforts to ensure that the position in the Memel Territory laid down by the Treaty was restored.²

HOESCH

¹ See also document No. 421.

² The text of the document here printed was repeated by telegram on Nov. 21 (8921/E625111) to the Missions in Paris, Rome and Kovno and to the Consulates at Memel and Geneva.

No. 423

5669/H015575-77

Memorandum by the State Secretary

[BERLIN,] November 20, 1935.
zu II Fr. 4006.¹

For Ministerialdirektor Köpke.

Though I may perhaps agree from the factual point of view with Rintelen's memorandum² on the French proposals, from the tactical point of view I do not agree at all. With a merely factually correct reply we would obtain nothing, but would only put Laval out of humour and give Laval's successor the chance of declaring whenever he saw fit that nothing could be done with the Germans since his predecessor's magnanimous offer had been declined. (Later no one will realize that the "offer" was made on the eve of the ratification of the Russian Pact and at a critical moment in the Abyssinian conflict.)

In my opinion the answer should be quite magnanimous, i.e., it should be phrased throughout in broad, vague terms (so as to make Laval's motives appear petty by contrast), should show the debit side of the account and should end by saying that we desire an understanding with France, *Britain* and *Italy*, and must therefore await the end of the Abyssinian conflict before we really get down to brass tacks.

I should also tell Laval quite plainly that we disapprove of the Franco-Russian Pact, both as a method and because it is clearly directed against us. For that reason we refuse to be sponsors of its ratification. The Pact endangers Locarno, to which we adhere because cooperation (at the moment, unfortunately, impossible owing to Abyssinia) between the four Locarno Powers is the only safe and useful basis on which to construct European policy. Declarations of the intention not to attack anyone (i.e., of our intention not to attack the Russians) will achieve nothing as long as the method of dubious alliances continues. Only on the basis of equality of rights, honesty and trust can there be useful collaboration. (Our leaving the League of Nations³ should be quoted once more as proof of our fixed determination to continue to reject the old, mistaken methods which lead to nothing.) If "peace", "goodwill", "abnormal affinities", "recognition of Europe's needs" etc. are mixed together in the right proportions, the result should be an answer which will checkmate

¹ Document No. 415.

² Document No. 419; see also footnote 2 thereto.

³ See document No. 106, footnote 7.

Laval and which can at the same time be produced in London, Rome and Washington, which in my opinion is important.⁴

BÜLOW

⁴ A minute for the Foreign Minister dated Nov. 21 (5569/H015578-80) reads: "With reference to the State Secretary's comments I would remark that he evidently regarded Department II's memorandum of Nov. 19 [document No. 419] as a draft for instructions to the Ambassador in Paris, which was probably due to the somewhat ambiguous phrasing of the conclusion to the second paragraph of the memorandum. In fact, however, as I stated when submitting it, it was only intended as a study on Laval's proposal.

"The St[ate] S[ecretary]'s material suggestions do not appear to me to be in contradiction to the contents of the memorandum of Nov. 19, but to have the aim of defining our attitude more sharply and programmatically, and this in the sense of cooperation between the four Powers, Germany, Britain, France and Italy, whilst rejecting any sponsorship of the Franco-Russian Pact.

"I do not, however, think it desirable for us to express this attitude in full detail now in our reply to Laval's *démarche*, but, rather, I still believe that we should be in a better position to await the course of events if we furnish a very generally phrased reply in the sense of section III of the memorandum. Whether it would be desirable to bring up our withdrawal from the League of Nations once again in this connection appears doubtful to me. Köpke, Berlin, Nov. 21, 1935."

No. 424

9572/E674727-36

The Minister in Hungary to the Foreign Ministry

SECRET

A 221 P 24

BUDAPEST, November 21, 1935

Received November 25

VI A 5823

Subject: The financing of the German minority in Hungary.

With reference to my report A 212 of November 16, 1935.¹

1. The case of Dr. Köhler, which M. de Kánya brought up with me a few days ago,² has in the meanwhile had some highly undesirable repercussions, in that there is reason to assume that those industrial enterprises in which Dr. Köhler is active solely in an industrial capacity—that is to say, where he has nothing to do with the minority question—are also being suspected of illicit minority propaganda. The damage which threatens these German undertakings in consequence of their being thus included as suspects is incalculable. An immediate settlement of the Köhler case and of the related question of future financial support for the minority has in consequence become urgently necessary.

2. Before stating my views on the question as to what, in future, the procedure in the financial question should be, I feel that a brief account of the system of secret payments obtaining so far is required. The funds for financing the German community in Hungary were made

¹ Not printed (9572/E674722-26).

² This conversation was reported in the despatch cited in footnote 1 above.

available by the Foreign Ministry and the VDA, the former providing 35,000 RM under the latest budget, and the latter 86,000 RM. The funds provided by the Foreign Ministry were paid out to Dr. Köhler in monthly instalments in Pengös by the Legation; the contributions from the VDA were sent by courier in Pengö notes or some other foreign currency, which Dr. Köhler, in contravention of the foreign exchange regulations obtaining here, then had to exchange in the black market. With the approval of the Foreign Ministry, Dr. Köhler occupied the position of a trustee for the VDA and was responsible for the utilization and administration of the funds.

His salary was paid by Pontus G.m.b.H. and, in order to make him financially more independent of the VDA, it was regarded as an honorarium for his work of industrial organization (organization of a cooperative, advice on development, and so on).

3. The moneys received by Dr. Köhler were used by him for the following purposes:

(a) New German-Hungarian Homeland papers [*Heimatblätter*].

(b) The Swabian student association, "Suevia". The individual members of Suevia have been housed in a hostel. It would be this hostel to which M. de Kánya's remarks related.

(c) An economic bureau.

(d) The financing of propaganda in the Swabian communities (cost of meetings, travelling expenses of the UDV [*Ungarländischdeutscher Volksbildungsverein*—People's Education Association of Hungaro-Germans] secretaries and speakers).

(e) The People's Education Association of Hungaro-Germans.

The detailed expenditure is shown in the enclosure³ compiled by Dr. Köhler. To these allocations from the Reich must be added the numerous grants, for purposes of work and study in the Reich itself, made to Hungaro-German peasants' sons and students; the correspondence regarding these cases is conducted by the various sub-branches of the VDA, partly via Dr. Köhler and partly direct with other agents in the Swabian communities.

As I have frequently pointed out, it is impossible to expect this system to be kept secret; this could never be absolutely counted upon and indeed only at all as long as the German community here remained self-contained and united. In the present state of embittered mutual hostility and of division into several groups, to which I have also drawn attention in my reports at various times, it could only be a matter of time before the whole system would be blown sky-high. This turning-point has now been reached; there can no longer be the slightest doubt that *full* information on the system of financial aid

³ The Foreign Ministry copy has not been found; the copy in the Budapest Mission file has been filmed as M240/M008072-75.

from the Reich is now in the possession of the Hungarian Government in all its details.

4. In my previous report I stressed that at the discussion M. de Kánya avoided anything which might touch off a political scandal. But in view of the indiscreetness and ultra-sensitivity prevailing here with regard to these matters, we shall daily be exposed to this threat unless we change matters radically. This fact and the fact that the personal interests of Dr. Köhler and of the personalities and organizations associated with him are at stake, render it imperative for us to make up our minds as quickly as possible as to our future course. In this connection it should, in my view, first be assumed, as a negative premise, that not only must this whole system, which is represented in the person of Dr. Köhler and which is now no longer a secret, be abandoned, but that any other *secret* system of financial allocations via other middlemen would be useless and unworthy of us. In view of the treachery within our own ranks and the efficient manner in which the Hungarian security service [*Überwachungsdienst*] functions, it would be only a very short period during which secrecy might perhaps be maintained. Then we should once again be involved in our disputes with the Hungarian Government, and this time not on our present friendly terms but in a manner which would bring the danger of a breach in our political friendship and the existing relations of mutual trust between our two countries. In the interests of our political relations, but not least in the best interests of the Hungaro-German minority itself, our point of departure should, in view of the reorganization now required, be that we should clear away once and for all the system hitherto obtaining.

5. Financial contributions and *volksdeutsch* propaganda in Hungary will in future, if we wish to safeguard our political interests, be possible only to the extent to which we can reach agreement on the matter in frank and open discussion with the Hungarians. This means that we must first examine the whole list of payments made through Dr. Köhler to discover which of them could, with any prospect of success, be made the subject of such discussion with the Hungarians. Of the categories of payments referred to above, this might be possible with regard to the Sunday paper and the German-Hungarian Homeland papers [*Heimatblätter*]. If need be, it might also be possible to do the same with regard to the UDV and Suevia, subject to the necessary reservations. As regards the UDV, a precondition would be its reorganization, with the concurrence of both parties, while in the case of Suevia, the charitable nature of the hostel would have to be stressed, and emphasis laid on the fact that the inmates of the hostel, who in the main come from poverty-stricken backgrounds, are only able to obtain a higher education by means of the grants made to

them. With regard to the economic bureau, efforts should be made in future to see that it is financed from within, that is to say from business and cooperative earnings. We should end special allocations from us for propaganda in rural districts. In so far as any such propaganda within the framework of the UDV is required, it could be carried out by this central office alone.

Our main liability under the financial system obtaining so far concerns the salaries paid to individual persons engaged in work connected with the German community [*Deutschtumsarbeit*]. Here efforts must be made to incorporate all such persons as have hitherto done reliable work for the German community into those practical institutions which receive open support from us.

6. In the immediate future the best opportunity for such discussion might well be State Secretary Pataky's visit to Berlin, which is planned for the first half of December (see my report A 216 of November 21⁴). This, however, does not obviate the necessity of making an appropriate reply to M. de Kánya's requests, as reported in my previous despatch, quite independently of any such discussions.⁵

7. Without a reorganization such as has been outlined above, it will not be possible to achieve the settlement of the minorities question, based on mutual confidence, which we desire. And there is another direction in which it could be perfected. During the last few years it has, as I have observed with increasing anxiety, become the accepted practice for many of the agencies in Germany which are engaged in work connected with the communities to conduct an independent correspondence on these matters with agents who are for the most part self-appointed. As a result the requisite degree of caution is often not observed and, moreover, the uniformity of the political guidance given by the Reich is most gravely threatened. In future, efforts should be made to ensure that all correspondence of this nature with the German community in Hungary is conducted through a *single* agency in Germany proper, which would also be responsible for seeing that uniformity is maintained. With the existing system we must expect, in this field too, constant friction with the Hungarian authorities and, in particular, too, considerable personal difficulties for the Hungarian addressees of such letters.

8. The work so far done for the German community in Hungary—supported, in particular, by the colourful personality of Jacob Bleyer⁶—has doubtless resulted in strengthening *volksdeutsch* solidar-

⁴ Not printed (9722/E683645); for Pataky's visit to Berlin in January 1936, see document No. 527.

⁵ Stieve's reply, telegram No. 96 of Nov. 28 (9722/E683646), reads: "Please inform M. de Kánya that his complaints are being seriously and carefully examined here. We hope that the forthcoming visit of M. Pataky will provide an opportunity for frank and friendly discussion of all the questions raised and for a mutually agreeable solution."

⁶ Jacob Bleyer, professor at the University of Budapest and leader of the German community in Hungary. See vol. 1 of this Series, document No. 400.

ity among the Swabian peasant population. In the eyes of our authorities at the time, to whom Hungary was nothing but "The Land of the White Terror", the price we had to pay for this success was small; it lay in the consistently and uninterruptedly crisis-ridden political atmosphere of the years 1920 to 1932, during which the political friendship between Germany and Hungary, in so far as such a thing could still be said to exist, hung in the balance, and we were widely viewed amongst the national Hungarian population as propagandists for pan-Germanic colonization, thus becoming burdened with an intolerable handicap for the future. Today matters are quite otherwise where we are concerned. If we should now be compelled to face the question of reorganizing our relations with the German minority in Hungary, we must take this situation fully into account, and, in coming to our decisions, we must not for a moment lose sight of the grave and ever-increasing disadvantages and dangers involved in a continuance of propaganda among the community in Hungary [*Volkstumsverbearbeit*]. This work can and must be continued, but only in all frankness and candour towards the Hungarians. Its proper treatment by the Hungarians is ultimately a question of confidence. To restore confidence is the primary objective. Our aim, provided there is goodwill on the Hungarian side too, must be to clear up, completely and finally, a question which has again and again threatened gravely to disturb general relations between the two States. And that this goodwill exists is proved, in my opinion, by the tactful and cautious manner in which the question has been dealt with by M. de Kánya, who is obviously anxious that more importance should be attached to friendly relations with the Reich than to the minorities question. Thus with the change of system which is now necessary it will be incumbent upon us, too, resolutely and unmistakably to transfer the main emphasis from the work of propagandizing the *Volksdeutsche* to the political work to be done by the proper Reich authorities for the sake of the cultural interests of the German community [*Deutschtum*]. The chances of succeeding in future in maintaining the German community and preserving it from Magyarization, do not lie in more or less covert propaganda among the community, which in any case meets with the strongest possible opposition from the Hungarians, but rather in taking into account the prevailing political situation and working from Government to Government via the competent authorities to preserve the German community in its language and customs. The visible start of these new methods must be Pataky's conversations in Berlin. For us the purpose of these conversations must be to convince the Hungarians, who are at the moment not unjustifiably somewhat sceptical, that the German Reich will never support any activities which might be detrimental to the loyalty to the State of the Hungaro-Germans.

Only in this way can we create that atmosphere of confidence which will make it possible to avoid profound disturbances of political relations and alone enable us to perform useful, long-term work for the preservation of the German community in Hungary.

V. MACKENSEN

No. 425

2406/510930-83

Memorandum by the Foreign Minister

BERLIN, November 22, 1935.

RM 886.

The Reich Chancellor received the French Ambassador yesterday afternoon.

The Ambassador opened the conversation by saying that during his most recent visit to Paris he had had the opportunity of having detailed discussions with Laval, during which M. Laval had expressed his satisfaction over Minister President Göring's speech in Saarbrücken¹ and the attitude towards France expressed in it. It was M. Laval's endeavour, now as previously, to bring about an understanding with Germany. In order to create the atmosphere necessary for this it seemed to him that it would be helpful if Germany, making use of the Ambassador's audience with the Führer, were to issue a communiqué stating that the German Government continued to desire such understanding. M. Laval wished again to declare that the Franco-Russian Pact, the ratification of which was imminent, was not in any way directed against Germany, since its sole purpose was to bring about the tranquillization of Europe within the framework of general security.

The Chancellor interrupted the Ambassador at this point and declared to him that, in view of the clear wording of the Pact, he could not subscribe to M. Laval's view that the Franco-Russian Pact was not directed against Germany. In Germany's view this assistance pact was the equivalent of a military alliance exclusively directed against Germany.

This view was supported by the comment published both in the Russian press and in France at the time when the Pact was concluded. If M. Laval assured him that, because the obligation to render assistance did not come automatically into play, the French Government were free to decide in a given case whether there had been an attack by Germany or not, he, the Chancellor, was very willing to believe that this was M. Laval's view. Recent developments in the Abyssinian-Italian conflict had, however, clearly shown that the Contracting Parties in such an assistance pact by no means remained

¹ Made during a week-end visit to the Saar, Nov. 2-3; see *The Times* of Nov. 4, 1935.

free to make their own decisions once the machinery of the pact had been set in motion. Furthermore, he did not believe that M. Laval could undertake to guarantee that his possible successors in the Government would share, or would even wish to share, his views. If M. Laval was really so greatly concerned to have an understanding with Germany, which he, the Chancellor, was very willing to believe, then he would like to ask why M. Laval had considered it necessary to proceed via Russia instead of making a direct approach to Germany, who, as the Chancellor had once again clearly indicated in his speech of May 21,² was prepared to come to an understanding.

The Ambassador gave, as reasons for the fact that M. Laval had so far not replied to the speech of May 21, the difficulties which had meanwhile arisen from the Abyssinian-Italian conflict and the Italo-British tension.

After speaking at some length, the Chancellor ended by stating once more that a *rapprochement* between Germany and France on the basis of the Russo-French Assistance Pact was out of the question.

The Ambassador then asked whether there might perhaps be a possibility of making progress in concrete matters. Here M. Laval had in mind the conclusion of an air pact and of an agreement on the limitation of armaments, both of which were already envisaged in the London Protocol.³ To this the Chancellor replied that the present moment seemed to him quite unsuitable for such negotiations. What effect the Abyssinian-Italian war would have on the general European situation it was at present quite impossible to foresee. It could hardly be assumed that conversations on the conclusion of an Air Pact, or indeed on the restriction of armaments, would succeed at this moment, when all the Powers were endeavouring to build up their air forces as fast as possible and to perfect their other armaments. Furthermore, it might easily happen that in the course of such conversations Germany would be drawn into the present conflict in one way or another. He, the Chancellor, was, however, firmly resolved not to take part in this dispute.

When the Ambassador then began to speak of the need for European solidarity, the Chancellor first asked him whether he counted Russia as forming part of Europe. When the Ambassador said he did, the Chancellor declared that for him Asia began in Russia and that it seemed to him as pernicious to bring Russia into European problems as was the acceptance, at the instance of France, of the Soviet Republic as a member of the League of Nations.

Going on to speak of sanctions, the Chancellor stated that he considered it a grave error to mix up political differences with

² See Editors' Note, p. 171.

³ i.e., the Joint Anglo-French Declaration of Feb. 3, 1935; see document No. 46, footnote 3.

economic questions, particularly in view of the already existing world economic crisis. If economic compulsion were employed to achieve political ends the result would be that every State would try even harder than before to make itself economically independent of other States. But that would mean a further decline in the exchange of goods and in economic relations. He was convinced that after her present experiences Italy would continue to strive for autarky by every means, and he could assure the Ambassador that the German Government, too, would draw the logical conclusions from the repressive measures decided upon by the League of Nations.

The discussion, which lasted nearly two hours, ended with the drafting, at the Ambassador's request, of the communiqué published by DNB.⁴

It should be added that the Ambassador did not mention either the desire expressed by Laval to Ambassador Köster for a declaration by Germany that she would not attack Russia, or the version of the communiqué proposed to me by M. Poncet, which was to contain explicit recognition of the Russo-French Assistance Pact.⁵

V. N[EURATH]

⁴ This communiqué reads: "The Führer and Chancellor received the French Ambassador in the presence of the Foreign Minister on Thursday. The conversation, which was devoted to the general political situation, was inspired by a friendly spirit and offered an opportunity of confirming the goodwill of both Governments."

⁵ On Nov. 22 (by telegram No. 473) the Embassy in Paris was informed of this conversation and that in document No. 418, with instructions to hold language in the sense of Hitler's statements; the Embassies in London, Rome, Warsaw and Moscow were instructed as to these conversations and that in document No. 415 (5669/HO15589-98). On Nov. 25 fuller details of Hitler's conversation and copies of relevant communications were sent to these five Embassies and the Missions in Brussels, Berne, Prague, Belgrade, Budapest (5669/HO155603-08).

No. 426

8219/E583993-96

Memorandum by the Director of Department II

BERLIN, November 23, 1935.

II Fr. 4068.

The Italian Ambassador recalled that some time ago he had informed the State Secretary in confidence of the substance of a conversation between Laval and the Italian Ambassador in Paris, Cerruti.¹ A few days ago Signor Cerruti had had another detailed discussion with the French Foreign Minister. To supplement the aforementioned information, Signor Attolico handed over the attached memorandum which contained an extract from M. Laval's most recent statements.

The Ambassador then told me that his Government had been informed of another conversation which Laval had had with "another

¹ See document No. 287.

diplomat". He could give us precise information on this conversation too. Signor Attolico was noticeably evasive on the question of the identity of this "other diplomat". Basing himself on a despatch he had with him from Rome, the Italian Ambassador then made the following statement:

Laval had given the diplomat in question a detailed *exposé* of his programme for future German-French policy. Point 1 of the programme tallied with what Laval had told Cerruti. As point 2, Laval had said that Germany should guarantee the *status quo* in Central Europe for at least five years, this period to coincide with the duration of the Russo-French Pact. In point 3, Laval made the demand that Germany should consent to some kind of disarmament agreement. The French *contre-partie* as defined by Laval in this discussion was:

1. France to agree formally to recognize German rearmament;
2. France to be prepared to renounce the Russo-French Pact, by allowing this Pact to be "absorbed" into general agreements concerning the East, as a result of which it would become "obsolete" (these two French expressions were repeatedly used by the Ambassador, apparently in literal translation of the Italian text before him).

I did not tell Signor Attolico that we had already been informed by Köster of Laval's discussion with Cerruti in the same sense.² As for France's so-called *contre-partie*, Attolico remarked that it more or less consisted of mere words, to which I agreed.

Signor Attolico, after giving his information, then proceeded to ask me for information about the conversation between the French Ambassador here and the Führer.³ I gave him a general idea along the lines of our informatory telegram to Rome.⁴ Signor Attolico clearly found the information I had given him somewhat meagre; in any case he expressed the desire to be permitted to speak about this conversation, which was of so much importance to Italy, with the Reich Minister in person, who, according to the press reports, had been present at the two-hour discussion.

KÖPKE

[Enclosure]

I told you what I thought about this matter two months ago.

Should von Ribbentrop come to see me and talk politics with me, I should inform him of the conditions on which I should be prepared to come to an understanding with Germany.

The main one is that Germany should give France formal assurances that she has not the slightest intention of attacking the States which lie to the East.

² In Paris telegram No. 1175 of Nov. 21 (5669/H015634-36).

³ See document No. 425.

⁴ See document No. 425, footnote 5.

I do not know whether Hitler will accept such an obligation.

I am prepared to believe in his pacifism and to assume that he will be content to found a strong and united State without attempting to extend it in certain directions.

I should like to think this because I know the French people. They are very peace-loving.

They will not fight unless it is a question of defending their own territory.

I do not mean that we will not keep our pledged word if there should be an attack upon those countries with which we have treaties which compel us to assume obligations in the event of an attack.

But, since the French people do not wish to run the risk of having to fight in order to defend other peoples, I must act in such a way as to obtain assurances that Germany has no aggressive intentions.

No. 427

9590/E676204-06

The Foreign Ministry to the Legation in Rumania

BERLIN, November 26, 1935.

Sent December 5.

zu Balk. 2643 R.¹

With reference to your report 3236 I A 4 of October 28.¹

We have no intention of allowing ourselves to become involved in Rumania's foreign policy disputes with her neighbours. The issue of a statement along the lines desired by M. Goga² cannot, for that reason alone, be considered. Moreover, in view of the present situation in Rumania, Titulescu would only regard it as a victory for his own policy and it might indeed result in his position being further strengthened. M. Goga quotes the example of France; he should be told that as a matter of general principle the German policy is to refuse to make declarations of this kind, from which in any case no good can be expected to come. Indeed, it would not bring about any composition of the frontier disputes between Rumania and her neighbours, but would only cause the quarrel to flare up anew. It might, however, be in Rumania's own best interests if as little as possible were said about Rumanian frontier questions.

The crux of the matter and the only thing which can give Rumania security is the re-establishment of friendly relations with countries like Germany, which, owing to their position and their strength, are

¹ Not printed (9590/E676200-02); in this despatch Pochhammer reported a conversation with Goga, who had requested a public statement by the German Government to the effect that: "while Germany maintained in principle the right to revision, the Rumanian frontiers, fixed on the basis of nationality, remained beyond the field of German interests".

² Octavian Goga had formed, with Professor Cuza, the National Christian Party.

able to exert political influence in the Danubian region and which—as all unprejudiced and realistic political circles will undoubtedly recognize—not only complement Rumania, but with which she has important interests in common. This being so, it is obvious that Germany's attitude towards Rumania will depend not least on the attitude of Rumania herself. For Rumania can only expect Germany to take Rumanian interests into account if, in her own policy, she takes German interests into account. Moreover, the basically peaceful trend of our policy, as exemplified by the Führer and Chancellor's repeated declarations and by our whole previous attitude, is a guarantee that we shall pursue no policies at the expense of other States.

I leave it to you to put forward this point of view, should you consider it necessary in your conversations with M. Goga, in such manner as may appear appropriate.

By order :
K[ÖPKE]

No. 428

8645/E605532-39

The Minister in Austria to the Führer and Chancellor

A 2856

VIENNA, November 26, 1935.

Received November 27.

II Oe. 3354.

Subject : The development of the internal political situation.

After the reconstruction of the Austrian Government,¹ the outlines of the new distribution of forces have of late begun to emerge a little more clearly. Many things point to the fact that, while this reconstruction has strengthened the position of Prince Starhemberg, his influence is still by no means far-reaching enough to reshape Austria in his sense. In particular, it appears that the new young men who have been taken into the Cabinet, such as the Minister for Agriculture, Strobl, the Minister for Social Affairs, Professor Dobretsberger, and his State Secretary, Znidaric, cannot without further ado be reckoned as members of the Starhemberg clique, but that, on the contrary, they wish to go their own way.

Within the Cabinet as well as outside it, the violent clash of opinion as to Austria's attitude to the sanctions question continues. As I learn from various Ministers, the statement made by Baron Pflügl at Geneva,² on the instructions of the Foreign Minister, has met with

¹ On Oct. 17, 1935. See document No. 363.

² On Oct. 9, 1935, Baron Pflügl, the Austrian representative at the League of Nations Assembly, said that Austria was not in a position to support sanctions against Italy, a country to which Austria owed her integrity and to which she was bound by feelings of gratitude. (See League of Nations: *Official Journal, Records of the Sixteenth Ordinary Session of the Assembly* (Special Supplement No. 138), p. 101.)

the harshest criticism even inside the Cabinet. There is some dismay at the cooling off in relations with Britain and at the failure of the attempt to settle the question of the "life-claims"³ of the Creditanstalt, and people would prefer to get rid of Foreign Minister Berger today rather than tomorrow. As I have reported, it is also the case that the Minister in London, Baron Franckenstein, has been asked to succeed Berger. He, meanwhile, has categorically refused. Prince Starhemberg does not want to drop the Foreign Minister, who is devoted to him, without in return obtaining a practical concession from the other side. He wishes to take over the War Ministry so as to be able to control the entire Executive as well as the Heimwehr, Police and Security. Only if he were promised this would he agree to the Federal Chancellor being given the Foreign Ministry as well, as is his wish. Otherwise, so people here aver, he wants to put up his diplomatic adviser, Counsellor of Legation von Alexich, for this post.

Counsellor of State Funder, with whom I had a long discussion recently, has already, as is known, made a strong attack on the Foreign Minister at the last discussion of the budget. He told me the day before yesterday that Berger's dismissal was already decided upon, but was difficult to put into effect at present, as it was not desired to offend Rome. Moreover, not much sympathy was felt in Christian Social circles, either, with the negative attitude which the Foreign Minister was consistently adopting towards Germany.

The views of Counsellor of State Funder, the editor of the *Reichspost*, may be considered as typical of the political outlook of a large section of the Christian Socials and of their very influential civil servant element. In this connection, the two articles that were published last week on the question of the foreign exchange trials and on the discussion of German-French relations are also worth noting. I have reported in detail about the first of these articles,⁴ and have stressed the tone which, in spite of all criticism, is conciliatory—in which a collaboration of Catholicism with National Socialism against the common Bolshevik enemy is demanded. Regarding the Führer's conversations with the French Ambassador,⁵ the view is held here that Austria must cordially hope for an improvement in German-French relations, in Germany's interest as well as in her own. Counsellor of State Funder also discussed the possibilities of a German-Austrian understanding very frankly with me. He thought that fortunately the atmosphere of recent months had very greatly

³ The phrase is in English in the original. Negotiations on the balance of foreign creditors' claims against the Creditanstalt arising out of its failure in 1931, outstanding since the partial settlement of 1933, were held in London Nov. 7-10, 1935, between representatives of the Austrian Government and the International Creditors' Committee, without success. Renewed talks in Geneva resulted in an agreement being initialled on Dec. 21, 1935.

⁴ Not found.

⁵ On Nov. 22, 1935. See document No. 425.

improved, thanks too to the press agreement,⁶ and that one must take advantage of this progress in order to come to an agreement which in future would provide German and Austrian foreign policy with a common denominator. It was in his opinion much more difficult successfully to clear up the superficial problems such as the press, *émigré* questions etc., because too many forces both inside and outside Austria were interested in sabotaging such an agreement. But it should be possible to reach agreements, kept secret, which would in future make possible mutual consultation on all questions of foreign policy which were of common interest.

Even though this idea of Herr Funder's does not appear to me to be capable of realization at present, yet to my mind it proves how much his circles are occupying themselves with the problem of improving German-Austrian relations.

Yesterday Minister Buresch paid me a visit. The object of his observations was to make clear to me that, now that he was a Minister without Portfolio and no longer burdened by the difficult Department of Finance, he would have much more time to devote to the decisive problem presented by the German-Austrian question. He, too, stated that one could have great hopes of the young Ministers who had newly joined the Cabinet. He obviously has notions of forming a *Fronde* here, under the influence of the Christian Socials, against the Starhemberg clique.

The latter still seems to think that Mussolini will really be able to end the Abyssinian adventure without loss of prestige. The Polish Ambassador, Gavronski, who a few days ago had a long discussion with Herr Mandel, the director of the Hirtenberg arms factory and the most intimate friend of Starhemberg, told me that Mandel exercises a well-nigh uncanny influence on Starhemberg. With all his Jewish resentment of everything that is going on in Germany, he was strengthening the Prince in his Italian policy. After the manufacture of munitions for Italy had to be stopped in Hirtenberg because of Italian [*sic*] protests, he, Mandel, had loaded the entire factory on to the railway, in order to continue work in Italy (incidentally an interesting situation for Austria's supply of munitions!). I have today, as I have so often done previously, protested against Starhemberg's latest escapade, namely his customary Sunday speech at Linz. The Secretary General replied with a sigh that unfortunately the Prince had an uncontrollable temperament!

The Government's efforts to make conquests amongst the Socialists' working-class wing are being continued at high pressure. Not only does Starhemberg make resounding speeches to the working-class population every Sunday but Dobretsberger and Znidaric are also very active in that direction. Meanwhile, well-informed circles assure me

⁶ See Editors' Note, p. 588.

that these efforts completely fail with the Social Democratic working-class masses. At the opening ceremony of the new, State-owned tobacco factory in Linz, a banqueting table had also been put up for "Fatherland workers". Significantly it remained completely empty!

The League of Nations delegate, M. Rost van Tonningen, in an interesting lecture last night praised Austria's financial reconstruction in many directions. Nevertheless, it is no secret that this year's budget is anything but balanced. On the orders of the official responsible for the budget, a deficit of 360 million Schillings was wiped out in a quarter of an hour by decreasing expenditure and increasing revenue. Naturally all this is a paper swindle. There are no funds available for the work creation programme next year, and a new appeal to the capital market is, as I am told by the President of the National Bank, Kienböck, not possible this year. In this difficult financial situation the refusal of the British to help in the matter of the Creditanstalt is of course particularly painful.

The instability of both the internal and the external situation has led, as I have previously reported, to renewed activity by those in favour of a restoration. In spite of the difficulties which this question presents in the fields of foreign and domestic policy, one must in no way underestimate its importance for future developments. It is certain that Prince Starhemberg is only taking up the Habsburg question in order to have his "finger in the pie". Apart from the fact that he himself cherishes great ambitions for the position of Regent, Legitimist sympathizers within the Heimwehr exist in Lower and Upper Austria only; in the Alpine provinces, on the other hand, the Habsburg question is mostly the preserve of Christian Social and clerical circles. I have learned from reliable sources of an exchange of views on this question which has taken place between the Federal Chancellor, the Nuncio here⁷ and the Holy See. The Federal Chancellor had let the Nuncio know that Vatican mediation between Austria and the Governments of the Little-Entente was very much desired. The Federal Government for their part were willing solemnly to renounce all territorial revisionism: Otto von Habsburg, too, would be prepared to make a similar declaration.

The reply from the Secretary of State of the Holy See to the Nuncio in Vienna (dated November 16) is said to have stated that, under the present conditions, the Vatican was not in a position to embark on official mediation, as it must at present avoid anything that might allow Germany to consider the Vatican to have given a clear expression of its views as to a solution of the Austrian question. It was clear that the Holy See must avoid anything which might render the position of German Catholics even more difficult. In detail this communication said that Italy was still inclined towards a Legitimist

⁷ Monsignor Enrico Sibilia. See also document No. 417, footnote 5.

solution of the Austrian question, but her aid could not be enlisted in present circumstances. The British Government had recently tended to adopt the standpoint of the Little Entente and were seeking to draw Yugoslavia into their sphere of influence. Britain could not tolerate any action which meant a strengthening of Italy's position in Central Europe. Even though the position of the Little Entente was doubtful, it yet appeared that Yugoslavia saw a *casus belli* in the question of a restoration. For the same reasons France did not want to tackle this problem at present either. The Vatican therefore counselled the Government here to abstain from broaching the question at the moment, but to continue the so far successful tactics of strengthening the Austrian Legitimist movement, and in particular to secure for it a leading position within the "Fatherland Front".

I learn from the Yugoslav Minister that the Ministers of the Little Entente accredited here have met, and that they once again advised their Governments to protest against the activity of the Legitimists.

I hear from our friends in Linz that the Director of Security, Count Revertera, is continuing his efforts to bring about a reconciliation with the National Opposition. Besides certain privileges for the imprisoned National Socialists, he is said to have made a proposal for an extensive amnesty. It is hoped that this will be granted at Christmas.

On the occasion of the meeting of the Bundestag on Thursday, November 28, the Foreign Minister is going to give an exhaustive *exposé*, and, as the Secretary General told me today, he will also touch upon the German-Austrian question.

As emerges from my remarks, the overall situation is exceedingly complex. More clarity can only be expected once the political consequences of the Anglo-Italian conflict have emerged more clearly.

PAPEN

No. 429

8911/E622059-62

The Chargé d'Affaires in Czechoslovakia to the Foreign Ministry

A III 1 allg.

PRAGUE, November 26, 1935.

Received November 29.

II Ts. 2410.

Subject : Conversation with Beneš.

Yesterday I had the opportunity of having a long conversation with M. Beneš. The Minister was obviously anxious to give me in detail his personal opinion with regard to Czechoslovakia's internal and foreign policies.

With regard to internal affairs, the imminent change of President

of the State would, he said, be the most important event. As all the authoritative elements in the country were agreed that the change was necessary and must be carried out, there would not even be a storm in a tea cup. Considering his advanced age, Masaryk was in good health, the Minister said; nevertheless, he suffered from so advanced a stage of arterio-sclerosis that both he and the Government considered his resignation advisable. He was to resign in the next few days. Under the constitution the new State President had to be elected by Parliament, and this would be done before the end of the year. That he, Beneš, would probably be put forward as the only candidate and would therefore be elected, was something to which he would simply have to resign himself. The Minister then went on to say that the whole of his endeavour was directed solely towards peace. This also applied to domestic policy. Czechoslovakia had some large minorities, in particular the German minority, which, by virtue of its numbers and its high cultural level, was so prominent that it must be regarded as a fundamental element in the country and treated as such. As one of the staunchest supporters of the League of Nations he was also an ardent fighter for the rights of minorities. It was indeed consideration for the German minority which caused him to oppose all strivings for a dictatorship in Czechoslovakia; an authoritarian Government of a Fascist or National Socialist character could only be formed by nationalistic members of the dominant nationality [*Staatsvolk*]; and this would be a great disaster, particularly for the German minority. This attitude of his was often misrepresented both at home and abroad, and he was anxious to make these statements. In the same way, he had often been accused of weakness with regard to Communism; he had seen to it that Communism would receive no encouragement from Czechoslovak internal politics. To these principles he intended to continue to adhere in future too.

The Minister then turned to the subject of foreign policy. Here, too, his guiding principle was the preservation of peace (*scilicet*, the *status quo*). He would welcome with joy a *détente* between France and Germany; in his view it was only a question of time before there was a *rapprochement* between Germany and Russia, for the internal political structure of a country could not, in the long run, influence its foreign policy. The improvement in relations between Russia and his own country was in keeping with long-standing ties of blood and the sincere desire of both sides for peace. But he had not concluded any military arrangement whatsoever with Russia, and anything written or said to that effect was a fairy tale. It must, however, be recognized that France, the Little Entente and Russia saw no alternative in Europe but an immutable peace or a "*conflagration générale*". The one good thing about the present war in Abyssinia was perhaps the fact that the world would come to realize that any disturber of

the peace would have the whole world against him and that, even if he achieved some temporary military successes, he would in the end leave the field in a weaker position than before. What, at best, Signor Mussolini would obtain in Abyssinia he could have obtained without violence or loss of strength and power. With regard to relations between Czechoslovakia and Germany, they were, as he had repeatedly stated, correct; but he wanted more than this, and he was at all times prepared to negotiate a further *rapprochement*. Here due consideration would, of course, have to be given to his country's other commitments. What he would have preferred would have been to see Germany agree to the Eastern Pact, for in that case other States, such as Poland and the Baltic States, would undoubtedly have acceded, but as it was he had in the end been left alone with Russia. He wished this his attitude to be known in Germany.

I thereupon told the Minister that I would not fail to report his statements. I stressed in principle that Germany, too, was sincerely desirous of peace, as the Führer had repeatedly and most emphatically made plain to all the world. We Germans had been taught in a hard school to stick to facts and to value words only when they were matched by deeds. I, too, of course, considered it to be our solemn duty to work for an improvement in relations between our two countries. For a start, the daily press attacks by Government newspapers here, the constant persecution of Reich German National Socialists and the insults which were hurled with impunity at everything that was an object of veneration in the new Germany, really must be stopped first; further, it seemed to me that the continual visits here of senior Russian officers and of Czechoslovak officers to Russia were not exactly calculated to promote mutual confidence. I should be delighted if his words were speedily followed by deeds which could be seen to match them.

To this the Minister replied that he did not doubt that the Germans too desired peace. He would make the question of putting a stop to excesses in the press his special concern, but he must at the same time ask that the German press should in future abstain from portraying him as an intriguer and conspirator against peace. He rejected National Socialism only as far as his own country was concerned, which was probably why there had been difficulties with regard to "border cases [*Grenzfälle*]". As for the exchange of visits with Russia, these were only natural, since relations with Russia had recently become closer; he hoped that it would soon be possible to observe a similar *rapprochement* between Czechoslovakia and Germany. That such a *rapprochement* was both possible and advantageous to both sides had been repeatedly shown by the history of both countries.¹

STEIN

¹ This document was circulated, under cover of despatch II Ts. 2410 of Dec. 4 (8911/E622063), to the main Missions in Europe.

No. 430

5669/H015674-78

The Ambassador in France to the Foreign Ministry

Telegram

No. 1188 of November 27

PARIS, November 27, 1935.

Received November 27—10:50 p.m.

II Fr. 4128.

With reference to my telegram No. 1161.¹

The Paris correspondent of the *Frankfurter Zeitung*, Sieburg, was asked to call on Laval yesterday. The fact that the Minister President spent a long time with Sieburg despite his extremely heavy engagements gives this conversation, which was later joined by the Minister for Agriculture, Cathala, an importance which exceeds that of normal press receptions. Because of this invitation I had previously informed Sieburg of the chief features of my talk with Laval and of our attitude to Laval's ideas.

1. *General French Foreign Policy.*

Laval spoke to Sieburg about the latter's publications, especially about his latest article on Laval's foreign policy. Sieburg had correctly understood Laval's intention of simplifying French foreign policy, of slowly withdrawing it from the autonomous treaty system and thus bringing French foreign policy into line with the feeling of the French people. Unfortunately France was at present facing a difficult situation at home. But Laval's foreign policy would survive a crisis or an interim cabinet. His was the foreign policy of the future for France.

The conversation touched briefly on the question of "bilateral or multilateral" security. Laval declared that he neither could nor would do anything without the British. Sieburg did not press this point and merely said that a discussion of the question "bilateral or multilateral" was a bad beginning for German-French talks.

2. *Russian Pact.*

This constituted the chief topic of conversation.

Laval explained in detail that the Franco-Soviet Treaty was not directed against Germany. It was an accomplished fact, and one which, moreover, he would not be able to disavow. He could not understand why Germany would not render him the service of giving him a declaration of non-aggression in favour of the Soviet Union. Laval complained of Germany's lack of trust and requested understanding for the fact that in respect of closer contacts with Germany

¹ Document No. 415.

he must first of all consider means of reassuring the Russians, who were already accusing him of attempting to reduce the scope of the treaty. Germany took a wrong view of his desire to get a reassuring declaration in respect of the Eastern frontiers. It was not as if he were to say to Sieburg that he wished to become his friend but must first ask him to undertake in writing not to steal Cathala's wallet.

Sieburg intervened here to say that this was precisely the case and added that the institution of direct negotiations with Germany would be pointless if they were undertaken in conjunction with the Russian Pact. He expressed his regret that the contacts had obviously elicited no other suggestion from the French side than the proposal that Germany should make a declaration of non-aggression *vis-à-vis* the Soviet Union. A purely German-French problem would have been a better starting point. Sieburg explained why Germany felt herself threatened by the Russian Pact and why it was hard for Germany to allow herself to be drawn into a collective security system at all.

Laval rejoined energetically that he shared the German feelings in respect of the Soviet Union. He had a great deal of understanding, indeed sympathy, for the Führer's attitude towards this Power. Both the Soviet Union and the French disciples of Franco-Soviet collaboration trusted him no further than they could see him. He submitted to daily attacks only because he did not want to strengthen his ties with the Soviet Union and thus block the path to an understanding with Germany.

Sieburg repeated that a non-aggression declaration was out of the question and quite impossible as a starting-point for German-French discussions. Laval emphasized his readiness expressly to declare that the Russian Pact was not directed against Germany. For the rest, it would suffice if Germany were to make a fresh declaration that she did not wish to change her present frontiers by force of arms. Upon Sieburg's pointing out that Germany had done so often enough and most bindingly in the Führer's clear declarations, Laval replied that it would already suffice for him to be put in a position where he could state publicly that he had become convinced that Germany harboured no hostile intentions towards the Soviet Union. At this point Laval suddenly interrupted his very vehement, and indeed passionate, speech, by attempting a humorous remark, "after all, you do mean to play the Bolsheviks a trick or two one of these days".

Sieburg considered such a view to be most regrettable; he said it was sad that a man like Laval, whose name stood very high in Germany and was a capital asset for German-French understanding, should open up such sad perspectives, even as a joke. Laval replied very seriously that the situation in the East caused him anxiety because a German-Russian conflict would inevitably unleash all the forces that

were discontented with the order created at Versailles; this would result in a general breakdown. Sieburg expressed his astonishment that Laval, who had shown such political realism in respect of Italy's conflict with the League of Nations, should be contemplating such possibilities, and he pointed out that it would be best if in future the Russian Pact were not mentioned at all between Germany and France.

3. *German-French Understanding.*

Thereupon Laval made some lengthy and in part very agitated observations about German-French understanding, which remained his greatest aim and which was necessary to free the world from the nightmare of the arms race and above all from its unproductive economic burden. Pointing to Cathala, he said there were unbounded possibilities for the two countries to supplement one another and that he had above all high hopes of the benefits which the agricultural agreement promised to bring. Sieburg replied that if in recent German-French discussions instead of the Russian Pact the word "agriculture" had but once been mentioned, then Germany would have been much more willing. On this point Laval cautiously gave Sieburg to understand that François-Poncet had not conducted the discussions entirely to his satisfaction and had not developed his ideas fully enough. He himself would certainly convince the Führer if only he could speak to him personally. Admittedly he spoke no German but the Führer would nonetheless receive the impression that his intentions were honest.

Sieburg mentioned that the French press, in a vexatious way, was misrepresenting the situation and speaking of a German initiative, whereas in fact the opposite was the case. Laval made a despairing gesture and deplored the press, and also alluded to those of his officials whose duty it was to supply the press with correct information.

The conversation turned to the difficulty of engaging the imagination of the peoples in the judicial hairsplitting which formed the surface level of present-day international politics. Sieburg interposed half jokingly that Germany would certainly be interested in obvious signs of French wishes for an understanding and that the appearance of a well-known French personality, such as for example Marshal Pétain, if meant as a sign of friendship, would mean more to us than all the communiqués put together. Laval was pleased with the idea and said that they really ought to consider whether Pétain could not pay a visit to Berlin in order to give an address there or appear there in some private capacity.

4. *Austrian Question.*

Was not mentioned.

5. *Armaments Question.*

Laval described the armaments question, especially air armaments, as a subject offering common ground, but without giving precision to his ideas.

KÖSTER

No. 431

9588/E875870-72

The Chargé d'Affaires in Rumania to the Foreign Ministry

3535 I A 4

BUCHAREST, November 27, 1935.

Received November 29.

II Balk. 2869 R.

Subject: Conversation with Titulescu.

At a luncheon given today by the Papal Nuncio, Titulescu twice made a particular point of speaking to me, and on the second occasion drew me aside into an adjoining room for a conversation of some length.

He began by telling me that he had fulfilled two of our wishes: The negotiations on the old contracts (Otto Wolff) had been brought to a conclusion as a result of his intervention¹ and a newspaper (*Lupta*) which had published offensive remarks about the Führer had been compelled to withdraw them.

He then spoke of his political intentions. [It was absurd to assume that he would ever give his consent to Rumania's becoming a deployment area for Russian troops. Such things were the ravings of sensation-seeking journalists; Russia was Rumania's neighbour and Rumania's danger. In view of the disparity in size between the two States, a Rumanian-Russian understanding could only come into being via Paris or Berlin. As long as there continued to be tension between Germany and Russia, Rumania preferred to negotiate with a Russia which had a pact with France rather than with Russia alone.

He asked our understanding for his position: France was guaranteeing all his frontiers; even if, when it came to the point, she would not do very much, this had a pleasant sound to Rumanian ears. Russia had now made a similar declaration. Germany alone was refusing to play on these pipes of peace, although it would cost us just as little as it had those other two States. Germany (and here he made as if to stamp truculently on the floor) always spoke of wishing to promote good relations with only two States of the Little Entente—

¹ See also documents Nos. 110 and footnote 4 thereto, and 478, footnote 6.

Yugoslavia and Rumania. We must accept the Little Entente *in its entirety* and must cooperate with it as a whole.]²

After I had interjected certain observations, he then discussed [the Czecho-Russian Pact:] This [became operative only if France participated. And it was only on that condition that Rumania would conclude a pact with Russia too. Where Beneš had been unwise was not so much in concluding the pact (he, Titulescu, could conclude a pact of mutual assistance whilst avoiding such stupidities), but rather in the warlike preparations afterwards.

Nevertheless, Beneš must be forgiven a great deal. He really had felt himself threatened and, moreover, Beck had completely confused him. Beneš was frightened of Beck. It was Beck alone who had thrown everything into confusion.

He, Titulescu, did not wish to blame Beck. In any case, he did not wish to reproach him for his "Germanophile" attitude. Rather the contrary, for Rumania could regard this as a kind of reassurance. But in the interests of us all, we ought to work for an improvement in the relations of Czechoslovakia with Germany and Poland. This would permit of a *détente*.]

His remarks, interspersed with numerous digressions, bubbled out of him together with paradoxes and rhetorical questions. His main train of thought, however, has been more or less picked out above.

The immediate cause *may* have been Gheorghe Bratianu's parliamentary interpellation about policy *vis-à-vis* Russia,³ which has greatly annoyed Titulescu. That, at least, is how I should interpret one passage in which he warned us against "the type of politician with whom we were working" (this I naturally contradicted) and advised us rather to work with Grigore Filipescu, who was now coming to Berlin. He is, it would seem, coming in close agreement with Titulescu (see report No. 3295 of November 6, 1935⁴).

V. POCHHAMMER

² The passages here printed in square brackets were repeated in a circular of Dec. 9 (9588/E675873-76) to the Missions in Paris, Moscow, Warsaw, Prague, Budapest and Belgrade with the following addition: "In connection with these statements it must be noted that we clearly have no interest whatsoever in mediating between Russia and Rumania. Were we to do so we should be drawn into matters which lie outside the scope of our policy and should encumber ourselves with a responsibility which could only worsen our position in international politics. Nor can there be question of a statement to the effect that the form of Rumania's frontiers does not concern us. With regard to Titulescu's remarks about Beneš and his policy towards Russia, see our despatch II Ts. 2410 of Dec. 4, 1935 [see document No. 429 and footnote 1 thereto]."

³ See document No. 353 and footnote 6 thereto.

⁴ Not printed (9588/E675854-56). In this despatch Pochhammer reported that Grigore Filipescu, the leader of the rump conservative party and editor of *Epoca*, planned to visit Berlin Dec. 15-17. In despatch II Balk. 2993 R. of Dec. 23 (9588/E675878-79) the Legation in Bucharest was informed that Filipescu had been received by Neurath, Bülow and Wohlthat. No detailed accounts of these conversations have been found.

No. 432

6680/H096337

The Minister in China to the Foreign Ministry

Telegram

No. 10 of November 28 CANTON, November 28, 1935—3:30 p.m.

Received November 28—11:00 a.m.

IV Chi. 2213.

Marshal Ch'en Chi-t'ang asked me yesterday to telegraph to the Reichswehr Minister to cause Klein to come to Canton immediately. He said that after being introduced by the Reichswehr Minister and the Reichsbank, Klein had begun the construction of the arsenal,¹ but work had come to a standstill in the spring and the chief engineer had left. He [the Marshal] said that he had no attack on the Nanking Government in mind, but that he wished to carry this matter through.

I had the impression that the Marshal is taking this matter very seriously and that his attitude towards us more or less depends on whether Klein, to whose initiative we owe this unpleasant matter, carries through the undertaking which has been begun and the contract regarding the shipyard.

TRAUTMANN

¹ See vol. III of this Series, document No. 301 and footnote 1 thereto.

No. 433

6691/H098614

The Ambassador in Japan to the Foreign Ministry

Telegram

No. 147 of November 28 TOKYO, November 28, 1935—6:07 p.m.

Received November 28—2:25 p.m.

IV Chi. 2211.

1. As a result of the most recent events in China, tension between Japan and China has considerably increased. The currency reform has been taken here as proof of a new strengthening of the pro-Western group in Nanking and as a blow directed against Japan with British help.¹ Chiang Kai-shek's effective counter moves against the declaration of autonomy of the five Northern Provinces,² set in

¹ Following a visit by Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government, the Nanking Government had announced a series of measures for currency reform; see *Survey of International Affairs 1935*, pp. 308-311, 320-324 and 405-406.

² The reference is to the Japanese-sponsored movement for autonomy for the five northern provinces of China (Hopei, Shantung, Shansi, Chahar and Suiyuan). On Nov. 21 Chiang Kai-shek had stopped negotiations between the northern local authorities and the Japanese military commanders, and had reasserted the authority of the Government by himself commencing conversations with the Japanese Ambassador in Nanking.

train by Japan, have been regarded here as a diplomatic defeat and have caused increased bitterness particularly amongst military circles. The Foreign Ministry spokesman admitted that the critics of the Foreign Ministry's policy of reconciliation had proved right. As regards negotiations, the situation has been rendered still more difficult by the fact that the sending of former Foreign Minister Wang to Japan is being construed as a new Chinese trick to prolong the negotiations.

The Japanese attitude towards China can therefore be described as a mixture of bitterness and distrust which, in view of the weakening of the conciliatory elements and the strengthening of the radical military circles, may, as a result of the recent events in China, easily lead to a fresh resort to force.

Identical text to Peking.

2. *Secret.* In view of this strained and unpredictable situation, all proposals of the Nanking Government concerning the inclusion of Germany in economic or any other developments in East Asian questions are viewed here with extreme distrust; besides, in the improbable event of their realization, they would involve Germany in the Japanese-Chinese quarrel. Please bear this consideration in mind in respect of the Nanking Government's proposals transmitted by Herr Fürholzer,³ of which I was informed by a German confidant.

DIRKSEN

³ See document No. 416.

No. 434

5704/E414097-98

Senior Counsellor Renthe-Fink to Minister Heeren

BERLIN, November 28, 1935.
zu II M 2625¹ II.

DEAR HEEREN : Report No. 86 of November 8 from the Military and Air Attaché in Belgrade has been forwarded to the Foreign Ministry by the General Staff of the Army; this has as its enclosure 2 [*sic*] an interesting exposition of the military-political situation in the Balkans.¹ Colonel von Faber du Faur concludes his remarks with a number of suggestions as to how, in his view, relations between Germany and Yugoslavia should be developed. He recommends, in the first

¹ II M 2625 was a communication from the War Ministry of Nov. 13 enclosing a copy of report No. 86 of Nov. 8 (5704/E414082-83); enclosure 1 to the latter was the report, dated Nov. 6, on the Balkan situation (5704/E414086-93).

The Japanese demands were subsequently reduced and on Dec. 12 the appointment by the Nanking Government of an "Autonomous Political Council" to administer only two of the northern provinces, Hopei and Chahar, was announced. For further details see *ibid.*, vol. 1, pp. 328-331.

place, that relations between the two armies be promoted by exchanges of officers, particularly of junior ones. He also speaks of creating economic links with the object of securing for German private industry a share in the impending mechanization of the Yugoslav forces as well as in the building up of the air force.

In view of the political importance of the questions raised by the Military and Air Attaché, I wonder if it would not be desirable for us to make our views known to the defence departments. I should not, however, like to make any proposals without knowing your views on the subject beforehand. I should therefore be most grateful if you would let me have your views on Colonel von Faber du Faur's suggestions and also on the best procedure, politically speaking, to adopt.

Yours etc.,

R[ENTHE]-F[INK]

No. 435

5669/H015684-86

The Ambassador in France to the Foreign Ministry

Telegram

No. 1193 of November 30

PARIS, November 30, 1935.

Received November 30—5:15 p.m.

II Fr. 4150.

With reference to your [telegram] No. 473 of November 22¹ and my [telegram] No. 1161 of November 18.²

At a conversation which he had asked to have, Secretary General Léger told me the following about François-Poncet's *démarches* in Berlin:

On Laval's instructions he was anxious to point out that there was no connection between Poncet's *démarche* and my conversation with the Minister President. Poncet had received no particular instructions for his conversations in Berlin; rather had their purpose merely been to convey to the Führer and Chancellor and/or Baron Neurath, on the occasion of this renewed contact with them, the French Government's desire that neighbourly relations should be promoted and strengthened. The French Government had considered it necessary for the Ambassador once again to take the opportunity of seeing the German Head of State and informing him of the general line of French foreign policy with regard to Germany. Poncet had of his own accord taken the initiative of suggesting to the Führer and Chancellor the publication of a communiqué on the substance of the conversation.³ The French Government had been very pleased that

¹ See document No. 425, footnote 5.

² Document No. 415.

³ Marginal note in Neurath's handwriting: "Who is lying here?"

the German Government had complied so readily with the Ambassador's suggestion, regarding this as a good omen for the development of relations. He further wished to point out to me that Poncet had not been informed of the substance of my conversation with Laval.⁴ The object of this had been to ensure that the Ambassador's first resumption of contact with the Führer should be concerned only with general matters and that the atmosphere of the conversation should not be disturbed by the bringing up of what might be difficult special problems. On the other hand, the Minister President's object in "channelling" his ideas and suggestions through me had been that the German Government should be informed as quickly as possible of the specific ideas which occupied his mind. M. Laval would therefore be grateful to learn our views on his ideas through the same channel.

To this I remarked that the method chosen by the Minister President might easily lead to misunderstandings in Berlin. The fact that my discussion with Laval had coincided with Poncet's presence in Paris might after all give rise to the belief that Laval had changed the plans discussed in his conversation with me and had thought it better to keep the German-French discussion on a more general level for the time being. This interpretation would, at any rate, relieve the German Government of the necessity of commenting on Laval's suggestions as reported by me, particularly as far as it concerned the desire for a German declaration on the Franco-Russian Pact. Moreover, during his conversation with Poncet, the Führer had already commented on the most important of Laval's ideas, as reported by me, including not only those on the Russian-French Pact but also those on the Air Pact and the negotiations about the limitation of armaments. In my opinion this made any further German statement of views unnecessary. Léger did not share this opinion, but expressed the hope that the German Government would comment in greater detail on the French ideas through their Ambassador here.⁵ I said I was prepared to pass on this request. Should the Minister President send for me I shall hold language in accordance with the instructions contained in telegram No. 473¹ of November 22.

This at first sight rather mystifying procedure may perhaps appear in a different light when one considers that there is without doubt at present a certain friction between Laval and Poncet. During their most recent discussion, the Minister President appears to have accused the Ambassador pretty bluntly of not taking sufficient action and of failing to maintain contact with the Reich Government, particularly with the Führer. Rumours current here would seem to justify the belief that Laval was seeking a pretext for replacing Poncet, who does

⁴ Marginal note in Neurath's handwriting: "This is not correct."

⁵ Marginal note in Neurath's handwriting: "That is quite unnecessary."

not apparently enjoy his full confidence, with Noel,⁶ the Ambassador in Warsaw, who is particularly close to him. Poncet is said to have defended himself energetically against the reproach levelled at him and to have explained that French foreign policy during the past months had given him absolutely no chance of improving German-French relations. The considerable energy displayed by Poncet on his return to his post, particularly his suggestion for a communiqué, should therefore probably be viewed in this light.

In any case, it is certain that Laval does not regard the German communiqué as the "diplomatic document" suggested by him and reported in my telegram No. 1161.²

KÖSTER

⁶ Marginal note in Neurath's handwriting: "This man, who is pronouncedly hostile to Germany, would be most unwelcome."

No. 436

2945/576022

Memorandum by the Foreign Minister

BERLIN, November 30, 1935.

RM 909.

I informed the Polish Ambassador, who called on me this morning to receive an answer to the request he made last week in respect of the payment of the Corridor debts,¹ that we were unfortunately not in a position to transfer [currency] for the railway debt which had accrued from Corridor traffic. Consequently I could only repeat the suggestion that a way should be sought in joint discussions of effecting some change in the present untenable situation and settling the outstanding payments. Thereupon the Ambassador declared that, as a result of the German Government's refusal to pay the debts already accrued, not only was the Polish Ministry of Finance placed in a difficult position, but the position of Minister Beck was also endangered thereby; moreover, he could not disguise the fact that the refusal to effect payment would make it necessary for the Polish Government to take certain counter measures, which would adversely affect conditions of passenger and goods traffic through the Corridor.

v. N[EURATH]

¹ See also document No. 409 and footnotes thereto. In memoranda of Nov. 18 (9172/E645219 and 5643/H000705) Lieres recorded a *démarche* that day by Prince Lubomirski, and the reply which he [Lieres] gave on Neurath's instructions. Roediger recorded a further enquiry by Lubomirski, and the latter's request that Neurath should personally transmit the reply to the Polish *démarche*, in a memorandum of Nov. 21 (9172/E645222-23).

2784/540450

No. 437

Memorandum by the State Secretary

BERLIN, December 2, 1935.

On the evening of the day before yesterday, after a dinner, Ambassador Attolico told me, among other things, that he had written to Mussolini personally and explained to him, on the basis of his Geneva experiences, that the Italian Note to the Sanctions Powers¹ had been a serious mistake. Italy had no interest whatsoever in extending the conflict she was engaged in with the League of Nations to the individual Powers, and to force the latter expressly to confirm, as from one State to another, their determination to take action in a manner hostile to Italy. The only correct reply to the sanctions resolutions would have been Italy's withdrawal from the League of Nations, and he believed that his recommendation to take this step deserved special attention, since he had been Italian Deputy Secretary General in Geneva for many years. Mussolini had not himself replied to this communication. He had, however, received an answer, evidently from the Italian Foreign Ministry, indicating that at the beginning of the conflict France had made a benevolent attitude towards Italy and Italian ambitions dependent on "Italy's remaining within the collective system". Thus Italy had to some extent given France her word of honour not to withdraw from the League of Nations, and Attolico holds that this obligation is now having a highly deleterious effect on Italian policy.

BÜLOW

¹ See document No. 411, footnote 4.

No. 438

2784/540451-52

Memorandum by the State Secretary

IMMEDIATE

BERLIN, December 2, 1935.

Herr Vocke¹ telephoned me this morning on instructions from Reich Minister Schacht. Herr Schacht had instructed him to inform us about the "Italian transaction",² which, although not yet concluded, was as good as ready. The representatives of the Bank of Italy had only to produce a few more data. It was a matter of a credit of 40 million Reichsmark, although in reality only of half this amount, as an Italian debt of 20 million Reichsmark had accrued owing to the

¹ Dr. Wilhelm Vocke, a member of the Directorate of the Reichsbank.

² See also document No. 410, footnote 4.

non-functioning of the clearing agreement, and this would be covered hereby. The Italians would deposit securities, namely 50 per cent Italian securities payable in foreign currencies, 30 per cent German securities and 20 per cent securities which the Italians called "foreign" [*Exoten*], more detailed descriptions of which were not yet known to the Reichsbank. One third would, if I understood correctly, be deposited in gold. Moreover, the Bank of Italy would undertake for a five year period to make additional payments in case of the depreciation of the securities. The whole agreement is to last ten years, i.e., the whole credit must be liquidated within ten years. A gold clause was provided for.³ Herr Vocke described the whole transaction as favourable. He asked whether the Foreign Ministry had any objections.

I told him that, lacking information, I could not give a definite opinion, but I wished to pose two questions. Firstly, what about publication? I could not imagine that the transaction would remain secret. Herr Vocke confirmed this and said that the Italians had originally intended to settle the gold portion of the arrangement through the Bank for International Settlements; this would of course have meant that London would immediately be informed of it. I said that in these circumstances it would perhaps be best to make known the transaction in our version, and that in a manner which would bring out that this was not a question of breaking through the financial sanctions against Italy but merely of something connected with our clearing agreement.⁴ Secondly, I requested Herr Vocke to see that in this connection, or at least at this opportunity, the difficulties encountered by the Italian representatives, the Consulates and the Embassy in respect of the official rates of exchange should be settled. Herr Vocke, who was not informed on this question, wished to discuss it with Herr Puhl,⁵ who was dealing with this matter.

BÜLOW

³ Further details of the proposed credit arrangement were communicated by the Reichsbank to the Foreign Ministry with a letter of Dec. 3 (8060/E579171-75).

⁴ For the German-Italian Clearing Agreement of Sept. 26, 1934, see vol. III of this Series, document No. 155 and footnote 6 thereto.

⁵ Emil Puhl, a member of the Directorate of the Reichsbank.

No. 439

6025/H047361-63

Memorandum by a Deputy Director of Department II

BERLIN, December 2, 1935.

e.o. IV Ru. 4853.

The Counsellor of the Soviet Russian Embassy, M. Bessonov, called on me today after his return from several months' stay in Moscow.

After some introductory remarks, he came to speak directly of Ambassador Count Schulenburg's presence here and asked when Count Schulenburg would be received by the Führer. He let it be understood that the Soviet Russian Embassy were particularly interested in this audience. I told M. Bessonov in reply that I did not know whether and when Count Schulenburg, who was proposing to stay in Germany for some little while, would be received by the Führer and Chancellor.¹

M. Bessonov then broached the question of German-Russian relations. He considered that efforts should be made to achieve a *détente* in these relations. When I agreed, remarking that, apart from their conflicting ideologies, there were no political disagreements between Germany and Soviet Russia and that we did indeed welcome an expansion of economic relations between our two countries, Bessonov said that it was precisely in this latter sphere that a very big start could be made towards achieving a *détente*. He remarked that M. Kandelaki would be returning to Berlin in about a week's time for the forthcoming economic negotiations.² If, as he hoped, it should prove possible to achieve long-term agreements between Germany and Soviet Russia, then at all events for the duration of such agreements a serious conflict, and especially an armed conflict, would be rendered impossible.

I told M. Bessonov that a real expansion of economic relations between our two countries would only promise success if, at the same time, the numerous difficulties which were being placed in the way of the representatives of our German firms and also of the work of official German representatives, were removed. I mentioned the case of Bergmann,³ whose unjustifiable expulsion had caused the greatest displeasure here.

Bessonov replied that the circumstances of this case were quite exceptional. Bergmann had had indirect relations with persons who were politically highly suspect. When I enquired further, Bessonov stated that it was not only a matter of social but also of financial relations. In any case, Bessonov said, the German firms were making a mistake, in view of the fundamental change which was at present taking place, in insisting upon retaining their old representatives in Russia and not appointing new people. Since the orders which the Soviet Russian economy would in future require to be placed would

¹ On Nov. 11 (see document No. 407), Schulenburg had requested permission to pay a short visit to Berlin. A communication from the Presidential Chancellery of Dec. 5 (6025/H047365) notes that an appointment had been made for him to see the Führer on Dec. 11. No records of this or of other conversations held by Schulenburg in Berlin have been found.

² See also document No. 386.

³ Werner Bergmann, the Siemens representative in Moscow, had been expelled at short notice at the end of November. In report D 1384 of Nov. 30 (M237/M007989-95) Tippleskirch suggested that this action was probably simply a measure taken in reprisal for the expulsion from Germany of representatives of Derunapht. Other relevant documents are filmed on Serial M237.

be of a different character to those which had previously been placed, the Soviet Russian authorities were concerned that the German firms of particular interest to them should be represented by really qualified persons. I took this opportunity of pointing out to M. Bessonov how unreasonable was the conduct of the Russian authorities in making all possible difficulties for German firms in Russia, while at the same time expecting, as shown by the case of the railway mission at present in Berlin, Germany for her part to lay all her cards on the table for the Russians to see. This M. Bessonov admitted, declaring that he would be very ready to discuss as objectively as possible in future all questions that might come up.

Submitted herewith to Ministerialdirektor Köpke.

ROEDIGER

No. 440

5669/H015688-91

The Foreign Minister to the Embassy in France

Telegram

URGENT

No. 488

BERLIN, December 3, 1935—7:45 p.m.
zu II Fr. 4150¹ Ang. I.

Drafting Officer: Counsellor von Rintelen.

With reference to your [telegram] No. 1193.¹

During his first conversation with me after his return from Paris the French Ambassador expressly stated that Laval had informed him of his earlier discussion with you. If Léger now maintains the opposite, it is probable that tactical considerations are causing him to do so, either because he is looking for a pretext for continuing to keep us in play, or because he wishes to tie us down to a negative reply to the French suggestions, in order then to make use of thus having tied us down. Since we do not wish to make our discussions with the French more detailed and more concrete at present, and since, on the other hand, a technical expert like Léger will certainly tend to put the discussion on a concrete basis, I think it right that you should if possible avoid further discussion with him.

If M. Laval himself should revert to his suggestions, you should hold language in accordance with my despatch No. 473 of November 22.² You should if necessary also make use of the following arguments in the sense of the Führer and Chancellor's statements, of which you were informed in my despatch:

The question of the "diplomatic document"³ was not discussed in

¹ Document No. 435.

² See document No. 425, footnote 5.

³ See document No. 415.

the conversation here, as François-Poncet himself only suggested a press communiqué. Such a document, which Laval himself described as a "preamble", would in fact only seem useful to us if unanimity had already been reached between the two Governments on definite agreements or at least on a definite programme for negotiations. This precondition has, alas, not yet been fulfilled. A preamble, after all, presupposes a treaty text following immediately upon it. If we were now, in accordance with Laval's suggestion, to take the world by surprise with a preamble which lacked concrete contents and which did not announce concrete negotiations, this would arouse tremendous expectations everywhere. If, however, as is inevitable in present circumstances, nothing were subsequently to happen, then a severe setback in our relations would be almost a certainty. All the forces which are opposed to a German-French *rapprochement* would be given fresh impetus and would start asserting that there had been complete failure. A worthwhile *rapprochement* cannot be introduced by the mere abstract expression of the desire for an understanding, but only by negotiating on concrete problems. We hope that one day a diplomatic document will set the seal on a successful exchange of views; but one must first begin with the exchange of views. The Führer and Chancellor has given numerous starting points for this, amongst others in his Reichstag speech of May 21.⁴

In this connection you could in particular remind M. Laval of point 4 in the concluding statements of the above speech, where the Reich Government expressly declared their willingness to take part, on certain conditions, in a system of collective cooperation with a view to securing European peace. Here we were thinking primarily of cooperation in a spirit of mutual trust between the Great Powers concerned; it is not our fault if this cooperation cannot now be brought into being in view of the conflict over Abyssinia. As soon as this conflict has been settled, the time will have come jointly to examine the question of what new basis can be devised for cooperation among the Great Powers, either by adapting the Locarno treaty structure to present-day conditions or by creating other structures which would accord with the political situation then prevailing. Whether this should be done in conjunction with a reform of the League of Nations or outside the League of Nations, it is as yet impossible to foresee. That the old Geneva system, with its supplementary assistance pacts, is reducing itself to absurdity, is a fact of which France is now, to her cost, becoming aware. It will therefore be a question of taking in hand, in the light of the experience newly gained from the present conflict and of the political situation then prevailing, a work of reform with the object of securing a peaceful future for Europe; in this task our cooperation will most certainly not be lacking.

⁴ See Editors' Note, p. 171.

As you see from the above, we wish, in brief, by emphasizing our fundamentally positive aims for the future, to deprive French policy of the chance of attributing to us a purely negative and therefore threatening attitude.

NEURATH

No. 441

2784/540453

Memorandum by the State Secretary

BERLIN, December 3, 1935.

Reich Minister Schacht telephoned me at 11:45 this morning and asked what our attitude to the Italian credit transaction¹ was. I told him that we had no objections to the scope of the transaction, but we did not like its form, as this could be exploited against us and we might have to expect possible British remonstrances. We would therefore prefer it if the negotiations, which had not yet been concluded, could be brought back to the starting point, namely the sale of securities. Herr Schacht told me that the sale of securities was a secondary matter and was not the same as the credit transaction now under discussion. He was very ready to take into account our misgivings against the granting of credits; this could easily be done by choosing the form of options and reoptions.² He promised to keep us currently informed.³

BÜLOW

¹ See document No. 438.

² Marginal note on another copy of the document here printed (5642/E410966): "Herr Clodius telephoned to say that the transaction would be made in the form of 'credit assurance' [*Kreditsicherung*]. Sch[?], Dec. 3."

³ On Dec. 6 the Reichsbank transmitted to Ministerialdirektor Ritter a memorandum from the representative of the Bank of Italy containing a scheme for a transaction between the Istituto Nazionale per i Cambi con l'Estero and the Deutsche Golddiskontbank on the sale of securities (M270/M011376-84). No information as to what action was subsequently taken has been found in the files. See also Editors' Note, p. 930.

No. 442

6207/E469305-10

Memorandum by the Consul General in Danzig¹

DANZIG, December 3, 1935.

IV Po. 7998.

MEMORANDUM A

(CONVERSATION WITH THE HIGH COMMISSIONER, MR. LESTER, ON
DECEMBER 3, 1935)

As was to have been expected, the Government statement made by

¹ Marginal note "Handed in by Consul General v. Radowitz; respectfully [submitted] to Min[isterial]dir[ektor] Köpke. R[oediger], Dec. 5."

President of the Senate Greiser on November 27 of this year² has thoroughly roused the High Commissioner of the League of Nations, Mr. Lester. In the course of lengthy expatiations on this subject he told me the following:

It must surely be unprecedented for the President of the Senate to reproach him—the High Commissioner—in a Government statement with having taken the Opposition's side and tried to induce the Council to word their resolution accordingly.³ He could only describe the so-called "reliable source" as a very turbid one, for the assertion was not true. On the contrary, he had as yet done nothing about this matter, and had not even had an opportunity of studying the Opposition's petition and of reporting to Geneva on the matter. He considered these proceedings to be insulting and he deeply regretted that they had resulted in a personal difference, which it would be difficult to overcome, between him and the highest Government authority in Danzig.

But from the *objective* point of view, quite apart from the attack on him personally, he was forced to take the Government statement very seriously. The President of the Senate was wrong in his view that the League of Nations—as he had said—"had no right to issue orders in respect of Danzig but merely a right of sanction". He feared that the Council would clearly demonstrate this right at the next opportunity, if the Danzig Government failed to understand the friendlier method of "recommendations". Indeed, he considered this to be absolutely essential in the interests of the authority of the League of Nations.

What had especially impressed him, however, was the fact that the President of the Senate had quite clearly adduced in support of his attitude to the League of Nations the fact that the "distribution of political power in Europe had been fundamentally changed". "Is that",—Mr. Lester's very words—"by any chance a result of German rearmament?" And he then made the equally serious statement that he was being forced to the conclusion that "*a large part of the Government statement had not been written in Danzig*".

On this I told Mr. Lester that, as a representative of the Reich, I could expressly assure him that I had received not the slightest official indication that these thoughts were justified; he received this assurance gratefully and said that he felt much relieved.

I must stress particularly this part of my conversation with Mr.

² For the text of Greiser's speech of Nov. 27 see League of Nations: *Official Journal*, February 1936, pp. 178-182. Radowitz attached relevant extracts from Greiser's speech as an annex to the document here printed (6207/E469308-10).

³ Footnote in the original: "The matter in question is the Supreme Court judgement on the Danzig elections, against which the Opposition appealed. The Opposition are demanding fresh elections (see also my report I G 1476 of Dec. 4, 1935)." This report is not printed (9062/E635853-75); for the Opposition's appeal against the Supreme Court judgement see League of Nations: *Official Journal*, February 1936, pp. 184-188.

Lester, of which I have given the substance, because I know that other foreign representatives here (Britain, France), also share the High Commissioner's views on this point, i.e., they assume that the Government statement made by the President of the Senate was inspired by Berlin, and are reporting to their Governments to this effect.

I am unable to judge whether the Reich Government consider desirable this idea that a more intransigent attitude towards the League of Nations is based on the increase in armaments, but I would point out that, in view of the above, this idea could easily take root.

In conclusion, I would venture to say that in the whole history of the Free City of Danzig relations between the Senate and the High Commissioner can seldom have been so tense and acrimonious as at present. Here I must, however, point out that the High Commissioner himself bears the main responsibility for this state of affairs, since, precisely in recent months, he has considered it necessary punctiliously to deal with every complaint by the Opposition, however absurd, thus undoubtedly giving the Opposition a certain amount of encouragement, which naturally resulted in firmer counter measures being taken by the Danzig Government. He is hampered by a very strong, formal and excessive sense of duty with a touch of Geneva about him, which hinders any political collaboration on a larger scale.

RADOWITZ

No. 443

6195/E466044-46

Memorandum by the Consul General in Danzig¹

DANZIG, December 3, 1935.

MEMORANDUM B

With reference to my memorandum of today's date on a conversation with the High Commissioner (A),² I would add the following:

(1) On November 29 last I had an exhaustive conversation with the President of the Senate about his Government statement of November 27 last, the main points of which are as follows:

a) After the last session at Geneva, and especially after his talks in the Reich,³ he had intended to go carefully and to put the "Geneva recommendations" into effect, which he would have considered quite acceptable, since it was not difficult to lessen their force by purely administrative measures. But Gauleiter Forster had instructed him to adopt a sharp tone with the League of Nations and the High

¹ This memorandum is unsigned.

² Document No. 442.

³ No record of such discussions after the League Council meeting of September-October 1935 has been found apart from the conference recorded in document No. 358.

Commissioner and only to have regard to the recommendations to a limited extent. The Gauleiter had met his objections by stating that he would accept full responsibility for the matter being handled as he wished and indicated that he had discussed the matter in this sense with the Führer. He, Greiser, had therefore been obliged to comply with the Gauleiter's instructions in his Government statement. He was well aware of the unpleasant repercussions that this might have, but he must refuse any responsibility for it.

b) In the matter of the two Senators, Hoppenrath and Huth,⁴ whose removal from the Senate President Helferich had described as a *conditio sine qua non* for the continuation of practical work in the Senate, it had been decided at the meeting in the Schorfheide, of which everyone was supposedly aware, that Senator Huth should be given another post in the Reich and replaced in the Senate. A successor to Senator Hoppenrath was to be appointed from the Reich.

This decision, which he had considered binding, had been reversed by the Gauleiter, who had said that, following a discussion with the Führer,⁵ Senator Huth, at all events, must now remain in the Senate. Moreover, the Gauleiter had demanded that he, Greiser, should entrust the office of Senator for Internal Affairs—i.e., the entire Executive—to Senator Huth, and should himself take charge of "Economic Affairs", a suggestion which he had rejected on the grounds that it would be beyond his powers.

As far as Senator Huth was concerned, therefore, the position had not altered.

With regard to Senator Hoppenrath, he had considered that it would be desirable for him to complete the budget before his departure, so as to present it publicly, thus depriving the Opposition of a further plausible opportunity of asserting that the State finances were not in proper order.

This had meanwhile been done and consequently he had no further objection to Herr Hoppenrath's being replaced, although he did not consider that Landrat Tapolski, whom he had met in Berlin and who was under consideration for the post, was the strong personality which the extremely difficult conditions in Danzig demanded.

The position had therefore not altered with regard to Senator Hoppenrath either.

(2) The Gauleiter has demanded from all Party organizations that in the fight against the Opposition they should proceed with the

⁴ See document No. 358 and footnote 4 thereto.

⁵ The minutes of the conference of Oct. 16 which were compiled in the Prussian Ministry of State (see document No. 358, footnote 1) state that Hitler, Göring and Forster would make a final decision about Huth, for whom the post of Danzig representative in Berlin had been proposed. No record of a meeting between Hitler, Göring and Forster has been found, but in a letter to Hitler of Oct. 22 (5817/E424005-06), in which Forster recommends his own appointment as Special Representative for Danzig, he refers to a conversation between himself and Hitler on Oct. 19.

utmost harshness. It is to be expected that to the existing cases of excesses against members of the Opposition further cases will be added in the course of the winter.

(3) In respect of policy *vis-à-vis* Poland, the Gauleiter and the President of the Senate are entirely agreed that every effort must be made to preserve the present friendly atmosphere and if possible to intensify it.

No. 444

9357/E663126-29

The Minister in Yugoslavia to the Foreign Ministry

2481 Po. 3 Ung.

BELGRADE, December 3, 1935.

Received December 9.

II Ung. 983.

POLITICAL REPORT

Subject: The prospects for a Yugoslav-Hungarian *rapprochement*.

With reference to your instructions II Ung. 875 of October 19 [*sic*]¹ and II Ung. 910 of November 14.²

In your despatches under reference I was informed of reports from our Legation in Budapest from which it emerges that the idea of breaking the iron ring of the Little Entente by pursuing a policy of *rapprochement* or, if possible, of settlement with Yugoslavia, is gaining more and more favour amongst those responsible for the framing of Hungarian foreign policy. In this respect particularly high hopes seem to be set on the personal attitude of the Minister President and Foreign Minister, Stojadinović.

What are the prospects, as seen from Belgrade, of a *rapprochement* between Yugoslavia and Hungary?

The answer to this question depends entirely on the meaning attributed to the term "*rapprochement*" in this case.

If the term "*rapprochement*" is taken to mean a general improvement in the atmosphere brought about by avoidance of unnecessary friction and spite, by concessions in minor frontier traffic questions and in the question of minorities on either side, in other words a "normalization" of relations which would leave Yugoslavia's international commitments and internal political principles unaffected, then a Hungarian policy with this restricted aim has good prospects of success—at least as long as Stojadinović remains at the helm. For

¹ Not printed (9357/E663115-17). This was the despatch of Oct. 31 under which a copy of Mackensen's report A 189 P 37 of Oct. 19 on his conversation with Kánya about the state of Hungarian relations with Yugoslavia was sent to Heeren.

² Not printed (9357/E663119-24). This was the despatch under which a copy of Mackensen's report A 207 P 37 of Nov. 5 on conversations with Kánya and Gömbös about the prospects of a settlement with Yugoslavia was sent to Heeren.

the present Yugoslav Minister President is a sober realist in politics. Feelings of hatred towards Hungary, which are indubitably prevalent among wide circles here, are entirely alien to him. He is accustomed to viewing politics from the economic angle and is always inclined to avoid unnecessary friction and squabbles with neighbouring States. He will therefore always be in favour of a "*rapprochement*" of this sort, regardless of whether it concerns Bulgaria, Italy or Hungary.

The picture would be very different, however, if Hungarian policy were to be directed towards a "*rapprochement*" of a kind which would mean breaking or even visibly loosening the structure of the Little Entente. Hungarian aspirations of this sort would be doomed to failure today and in the foreseeable future too.

The defensive alliance against Hungary has always formed the sound and solid backbone of the Little Entente. Its difficulties have always lain in the outer circle of neighbour States and not at the centre. It offers its members complete security against the Hungarian danger. It also gives them a satisfactory guarantee that Hungary will be held down in future too.

What could induce any Yugoslav statesman to tread, for the sake of Hungary's *beaux yeux*, a path which would lead to the loss of these guarantees and the strengthening of Hungary? Simply to be given third place on Hungary's revisionist list would certainly not be considered sufficient compensation here. No one here would believe Hungarian assurances that she had finally abandoned her aspirations with regard to Yugoslavia.

Only very strong pressure from a third party could compel Yugoslavia to tread this path. And who is to exert this pressure? Certainly the Hungarian threat could become acute if Italy were to throw her full weight in on Hungary's side. But that Yugoslavia has today less reason than ever to fear anything of the kind is obvious.

Thus there remains finally only the hypothetical case of sufficient pressure being brought to bear by Germany.

People here—even in authoritative quarters—are not wholly free from fears lest a Germany grown strong again might one day consider it politically expedient to further Hungary's revisionist aims. But so far this is not considered to be an acute danger for Yugoslavia. For it is held that for the foreseeable future Germany's need for peace and the absence of any direct political disagreements in German-Yugoslav relations will prevent Germany from actively supporting Hungary.

To sum up, I would therefore say, in answer to the question as to the prospects of a Yugoslav-Hungarian *rapprochement*, that for the present only a "*rapprochement*" in the limited sense described above lies within the scope of practical politics. Any hint from the Hungarian side that there were hopes of more would merely arouse suspicion

here and would therefore be harmful. This applies as much to the present Minister President as to every other Yugoslav statesman.³

HEEREN

³ The document here printed was accompanied by a letter from Heeren to Köpke dated Dec. 3 (9357/E663130) which reads: "In reply to your kind letter of Nov. 23—II Ung. 875 [9357/E663118]—I have today, as requested, reported on the prospects of a Yugoslav-Hungarian *rapprochement*."

"I enclose a copy of this report."

"From frequent conversations with my Hungarian colleague here I have gained the impression that he views things here much as I do."

"The narrow limits within which, in my view, a Hungarian *rapprochement* policy would be confined, should not, however, prevent efforts being made to improve the atmosphere. Even a limited *rapprochement* would usefully prepare the ground for utilizing favourable situations in future."

No. 445

9096/E639780-91

Minute by an Official of the Economic Department

TOP SECRET

BERLIN, December 4, 1935.

e.o. W. 13259.

RECORD OF A DISCUSSION IN THE FOREIGN MINISTRY ON DECEMBER 2, 1935, CONCERNING THE EXPORT OF WAR MATERIAL TO SPAIN

Those present were:

Ministerialdirektor Ritter, Ambassador Count Welzeck,

State Secretary Posse, Ministerialdirektor Sarnow,¹

State Secretary Trendelenburg,² Freiherr v. Lupin.³

Senior Counsellor v. Kamphoevener, Senior Counsellor Sabath.

The Ambassador pointed out that, although the propitious moment had already passed, there were still prospects of selling war equipment to Spain, provided the situation was handled skilfully. Apart from reasons of domestic policy and the relaxation of pressure in foreign affairs, the delay derived from the fact that the selling organization in Germany had not worked with sufficient certainty of purpose. In consequence, the impression had been created in Spain that the necessary confidence was not being placed in Laiglesia.

State Secretary Trendelenburg asserted in reply that it had not been considered expedient to make the whole transaction dependent on Laiglesia. [German] industry had continued to wait for enquiries from Laiglesia, whilst the latter had evidently waited for German industry to make offers. Furthermore, it had been observed that Laiglesia had tried to intervene in business transactions initiated by

¹ Both of the Ministry of Economics.

² Deputy Director of the Reich Chamber of Economics [*Reichswirtschaftskammer*], of which the Reich Federation of Industry was a member, and director of the AGK, for which see Editors' Note, p. 791.

³ See document No. 303, footnote 1.

the agents of individual firms in order to obtain commissions for himself.

After discussion of the three enclosed *exposés* by Director General Eltze,⁴ which were submitted by the Ambassador, it was agreed again to centralize the business transactions and to allow Laiglesia to come to the fore more than hitherto. The overall agreement [*Rahmenvertrag*] is to be worked out immediately, and for this purpose Herr Eltze, who had at first wished to stay in Madrid until December 9 to await the Ambassador's return, is to be recalled to Berlin. The Reich Ministry of Economics will compile a list of goods which could be accepted by way of compensation for arms deliveries. The basic principle is to be that "goods of our choice by way of addition" will be accepted but, at the same time, Spain's particular export interests will be taken into account to some degree. Exact figures for the maximum up to which Spanish goods will be accepted should not be stated, especially as Germany must be left free to change these quantities according to requirements.

It is to be ascertained whether it would not be expedient to send a permanent representative of the consortium to Spain. This representative would be charged with conducting negotiations within the overall agreement, whilst the task of working out the separate transactions would be left to the agents.

State Secretary Trendelenburg further pointed out that every effort should be made to effect exports of war material. Industry would have to expect a serious demobilization crisis [*Demobilisierungskrise*] once armaments orders are reduced. Even if only limited support could be expected from export transactions, yet they must not be neglected. Consequently, the firms must not permit themselves to be misled by the prosperity of the home market into being less active in foreign markets and must in all cases give precedence to foreign orders over home orders.

S[ABATH]

[Enclosure 1]⁵

MADRID, November 27, 1935.

zu W 13259.

REPORT

The representatives of firms here (or at least some of them) have perceived certain political and economic dangers in the inclusion of Señor Laiglesia. They believed that it would be possible, and wiser, to deal with the individual business transactions in the same way as before. They have failed to take into consideration that, in the interests of avoiding internal German competition and by reason of the

⁴ Director General of Rheinmetall.

⁵ This enclosure is marked: "Handed over by Ambassador Count Welczeck on Dec. 2, 1935. S[aba]th."

balance of payments, it is necessary to centralize transactions. All kinds of misgivings have been expressed about Señor Laiglesia, which appear to be justified only to a limited extent. It has also been forgotten that the highest Government authorities must be induced to accept the centralization of business transactions between German industry and the Spanish War Ministry on account of the balance of payments. It was precisely this last reason which caused the Ambassador to choose Señor Laiglesia and to introduce him into the business transactions. It was perhaps a mistake on Señor Laiglesia's part to have interpreted his task as making it incumbent on him to pursue the transactions at the lower, preparatory, level *concurrently* with the [firms'] representatives. This has led to friction and to working against each other in a most unsatisfactory manner. The undoubtedly very competent representatives ought not to be and must not be excluded from the transactions. They are familiar with the subject concerned and are expert in the often very tricky technical questions. Moreover, private enterprise should be given the greatest possible latitude. Nor is it desirable that two different parties should negotiate concurrently with the various authorities.

In order to clarify the situation, I have suggested that the spheres of competence of Señor Laiglesia and of the representatives should be most strictly divided. Señor Laiglesia should be given the task of putting through an overall agreement with the Ministries here, providing on the one hand for deliveries from Germany to Spain and, on the other, from Spain to Germany, to a maximum value of 50,000,000 Marks. Further details appear in the *Pro Memoria* which I attach. The representatives would as hitherto deal with the offers made by their firms, until such time as these can be included in the overall agreement. The Ambassador has approved this plan, which above all ensures that no person shall be placed in an untenable position as a result of the measures so far taken. The representatives of the firms appreciate that this proposal in no way reduces their sphere of action and they will cease all agitation against Laiglesia, irrespective of whether justified or not. We shall shortly be able to see whether Señor Laiglesia's connections are in fact adequate for obtaining the overall agreement. He has stated that he hopes, with the aid of his friends, to get our proposals adopted. Should he fail, the previous situation, as it existed before Señor Laiglesia was brought in, will be restored and he can surrender his mandate without any loss of prestige and also without any resentment.

That a consortium must forthwith be organized in the AGK, irrespective of whether the project is put through with or without Laiglesia, follows from the AGK's aim of avoiding in all circumstances internal German competition where foreign countries are concerned to the detriment of the German economy. I hope that, thanks

to the magnificent support given by the Ambassador, we have made a start by managing to pacify all concerned and getting the work going on a systematic basis. Unfortunately, the Spanish requirements are for the most part still very obscure, but then the preparatory work on the German side, too, leaves much to be desired.

ELTZE

[Enclosure 2]

MADRID, November 27, 1935.
zu W 13259.

PRO MEMORIA FOR SEÑOR LAIGLESIA

In consequence of a law on the export of war material,⁶ which has long been in preparation and which finally came into force only a few days ago, work on the tenders for the Spanish War Ministry has, to our profound regret, been much delayed. Some of the export regulations under the law have in fact not yet even been issued. As a result the organization of the industry has also been slowed down, so that it was not possible until a few days ago to set up the agency responsible for the exports, the AGK (the Export Consortium for War Material), within the Reich Federation of Industry. Herr von Lupin has been conducting the negotiations on behalf of the Export Agency which was still in process of being set up.

In order to furnish the Spanish Government with a contracting party responsible for their orders, a consortium has now been set up within the AGK to deal with war material transactions with Spain. This consortium will arrange for the various firms to deal with all enquiries, tenders and technical details for the Spanish War Ministry and for the firms' representatives here to transmit them.

The consortium propose to the Spanish Government that, in the interest of smooth cooperation, they should conclude with them an overall treaty for a total of 150,000,000 Pesetas. This treaty should include, on the one hand, deliveries to the War Ministry by the various industrial firms; on the other hand, it should provide for compensation in the form of goods by means of additional quotas [*Überkontingente*]. The clearing surplus which at present still exists in German-Spanish trade shall be taken into account for this purpose. It is proposed that payment for German deliveries should be made for one third in cash in foreign exchange while two thirds of the payment should, as mentioned above, be discharged by means of additional quotas. Payment for the goods delivered by Germany should be effected within five years, thus also equalizing the balance of payments. The so-called overall treaty should also include such transactions as may be considered ready for completion.

ELTZE

⁶ See document No. 402 and footnote 3 thereto.

[Enclosure 3]

MADRID, November 27, 1935.

*PRO MEMORIA**Previous history.*

The Spanish Government wish to acquire war material as well as licences and plant for its manufacture in order thus to offset a fairly substantial clearing surplus arising from trade and to induce Germany to buy more goods from Spain. The Spanish War Ministry for some considerable time have had before them a number of tenders from German firms. A Spanish mission visited Germany⁷ recently to inspect on the spot the material which Germany could supply. Unfortunately, the relevant negotiations were very much protracted so that it proved necessary to issue a frank statement about the causes for this which ran as follows:

The German armaments industry has not so far been uniformly organized for export purposes. This only became possible after the Reich Government had promulgated a new law on the export of arms. The law only appeared a few days ago and some of the regulations concerning its application have not yet appeared. The delay in the enactment of legislation also brought with it a delay in the organization of the industry. While Herr von Lupin was staying in Spain, the AGK, though in process of formation, had not finally been set up. The AGK is in fact only just beginning to operate. This explains the impression gained by outside observers that there was a certain lack of system on the German side. However, all obstacles have now been removed and it is our sincere desire to give the Spanish Government all the information which they may desire of us and to let them have deliveries with all possible speed.

The requirements so far known:

(1) Approximately one hundred 2 cm. super-heavy machine guns with 100,000 rounds of ammunition.

(2) 15 cm. field guns and ammunition (allocation unknown, said to have been refused by Rheinmetall. Proposals from the firm of Krupp are desired).

(3) One shell turning plant.

(4) One plant for manufacture of cartridge cases.

(5) One autofrettage plant.

(6) One plant for calibrating.

(7) Listening apparatus for anti-aircraft defence.

(8) Four different types of tractors, armoured vehicles and heavy

⁷ A Military Mission, consisting of Majors Barra and Ercilla, arrived in Berlin on Sept. 22, 1935.

duty vehicles from Büssing, the Deutsche Werke, Kiel, Hansa-Lloyd, Bremen, and Kranz-Maffai, Munich.

(9) Various sighting apparatus for the Navy.

(10) Aircraft and equipment for aviation in general.

(11) 8·8 anti-aircraft guns of Krupp manufacture.

Further requirements are yet to be communicated.

Proposals for business procedure:

In order to make possible uniform treatment of the above-mentioned commercial transactions and any that might still occur, it is considered essential to set up within the Reich Federation of Industry a consortium of supplier firms together with a bank and a trading firm (this to combine the smaller contracts so as to prevent too large a number of firms from being involved).

It is impossible to deal with all of the above-mentioned contracts at one and the same time. The following procedure is therefore proposed:

The consortium shall conclude an overall treaty to the value of approximately 50,000,000 Marks with the Spanish Government. All contracts shall be incorporated in this overall treaty. Payment for the orders shall in each case be made for one third in foreign exchange, while the balance shall be offset in five annual instalments by means of compensation deals in the form of additional quotas. The clearing surplus which at present still exists shall count as a first instalment under this arrangement. The Spanish Government shall effect at the time of the conclusion of the overall treaty the transactions ready for completion and then, little by little, conclude the separate delivery contracts with the firms. The representatives, who are known to the Spanish authorities, shall continue to handle the tenders in the manner customary hitherto. It shall be for the directors of the consortium to coordinate the tenders and price agreements and to take the necessary measures for financing, so that ultimately all individual transactions will be gathered into one comprehensive whole. It shall also be incumbent upon the consortium to see that additional quotas are dealt with and fixed as quickly as possible by the German import authorities so that the financial basis for the deliveries is fixed. The import of oranges and iron ores is envisaged. The Spanish side would have to appoint a person or mission within the War Ministry who, together with the directors of the consortium, would incorporate the various supply contracts in the overall treaty and settle any differences of opinion that may arise.

If the proposal meets with the approval of the Spanish authorities, the overall treaty will be drafted without delay on the above lines, whilst at the same time the first transactions ready for completion will be worked into this treaty.

We hope thus to overcome the present difficulties and to be able now to comply forthwith with all the wishes of the Spanish Government.

ELTZE

No. 446

5704/E414103-06

Minister Heeren to Senior Counsellor Renthe-Fink

BELGRADE, December 4, 1935.

II M 184 g.

DEAR RENTHE-FINK: In your kind letter of November 28—II M 2625 II¹—you referred to observations contained in a report by our Military Attaché which concern the possibilities of developing relations between Germany and Yugoslavia in the military field and in that of the supply of armaments. You ask me to let you have my views and possibly proposals on these suggestions of Colonel von Faber's.

The report in question is known to me and I have in the meanwhile taken the opportunity of once again discussing Colonel von Faber's suggestions with him. I have thus been able to confirm that we entirely agree as to the narrowness of the limits within which, at present, relations between the two armies could be improved by means of exchanges of or invitations to junior officers. Above all, according to my own experience so far (and this is also Herr von Faber's impression), it is still too soon for official or semi-official invitations designed to get detachments of the Yugoslav Army or of some of its branches to visit Germany. Yugoslavia, France's military ally, is still afraid of exposing herself too much by accepting such invitations. Thus we should only lay ourselves open to a rebuff, which might have repercussions on the atmosphere in general. The most important initial step seems to both of us to be for Yugoslavia to follow our example and send a permanent Military Attaché to Berlin. We have already frequently hinted at this wish in conversations here. The authorities here are, indeed, prepared in principle to accede to this wish, although at present the financial aspect is still causing some difficulties. Once there is a Yugoslav Military Attaché in Berlin, it is to be expected that he will frequently send suggestions home that experts should study and examine interesting problems connected with the organization and armament of the German Army. As long as individual officers can be sent to Germany for such purposes, quietly and without publicity, there will probably be no objections here to complying with such suggestions. Herr von Faber is himself also making efforts in this direction. The outcome remains to be seen.² Of course the despatch of individual officers in connection

¹ Document No. 434.

² In despatch No. 379 of Mar. 12, 1936 (5704/E414136), Faber reported that he expected that a Yugoslav Military Attaché would be sent to Berlin at the beginning of April.

with negotiations for actual deliveries of arms also comes under this heading. But this is a question on which it is clearly hard to bring influence to bear, since it entirely depends on how the question of our sharing in Yugoslavia's armaments contracts develops.

This brings me to Herr von Faber's observations about improving the organization and supervision of the part played by German firms in Yugoslav armaments transactions. I entirely agree with Herr von Faber that it is desirable, particularly where this country is concerned, to exclude all competition between German firms and to maintain strict supervision as regards the pricing of individual tenders. For it will, in the nature of things and for manifold reasons of a political and military-technical nature, be very difficult for German firms to do any business here in this field, and it will therefore be all the more necessary for them to proceed in unison and in close liaison with official agencies. I cannot judge from here whether we are still deficient in this respect and whether organizational improvements are possible. One point which seems to me very relevant in this connection and which I have indeed frequently mentioned in my reports is the imperative necessity for submitting tenders punctually.³ We are constantly hearing complaints that German firms leave much to be desired in this particular respect.

Herr von Faber is leaving shortly to spend a few weeks in Berlin. I have asked him to call on you too, if possible, during his stay, in order to give you his impressions and suggestions orally. Herr von Faber, who, as he tells me, is to be received by the Führer on December 12, has asked me to give him a few notes on Yugoslavia's foreign and domestic situation as a guide in case he is asked questions going beyond the purely military sphere. I am sending you enclosed a copy⁴ of the note I gave Herr von Faber. Naturally it contains only the most basic material and nothing which would be at all new to the Foreign Ministry. Perhaps it may be of interest to you as indicating the sense in which Herr von Faber will speak if occasion arises.⁵

With best wishes from my family to yours,

Yours etc.,

HEEREN

³ During the autumn German firms had been asked to submit tenders for the construction of three torpedo boats, but owing, *inter alia*, to delays in submission, the contract was awarded to a Yugoslav firm. The relevant documents are filmed on Serial 5562.

⁴ Not printed (5704/E414107-08).

⁵ Marginal notes: (i) "Opened on Dec. 10 on instructions from H[err] v. Renthe-Fink who is ill. Submitted to II M. Hei[n]burg, Dec. 10." (ii) "H[err] v. Schmieden. H[err] A. v. Bülow. We shall probably have to inform the Defence Departments, with the aid of this letter, of our views on the Military Attaché's suggestions. F[ro]hwein, [Dec.] 12." A copy of an extract (5704/E414109-11) consisting of paragraphs 2 and 3 of the document here printed bears the marginal note: "D[iri]g[ent]: to be returned please. On instructions from the H[ead of] S[ection] [Fro]hwein I have conveyed this extract to Gen. v. Stülpnagel. His comment was that its contents entirely tallied with his agents' reports. A. v. Bülow."

No. 447

F11/0054-55

Memorandum by the Foreign Minister

BERLIN, December 6, 1936.

RM 930 (G.Rs.).

During his initial visit today the newly appointed Yugoslav Minister¹ told me the following:

He had been instructed by Prince Regent Paul and by M. Stojadinović to tell me that:

The Yugoslav Government were quite determined to continue in the policy, already pursued by them, of political and economic *rap-prochement* with Germany. They would therefore not enter into any fresh commitments such as might run counter to the aims of this their policy. Furthermore, they were determined gradually to loosen existing ties, and, in so far as they were unable to do this, intended to ensure that no decisions which could be harmful to Germany should be taken without their consent.

I told the Minister in reply that I took grateful note of this statement and asked him to inform his Government that we, too, were endeavouring further to improve the relations between our countries. He would soon have an opportunity of convincing himself of the feelings of friendship toward Yugoslavia which prevailed in Germany.²

v. N[EURATH]

¹ M. Aleksander Cincar-Marković.

² The communication conveying to Belgrade the substance of the document here printed was originally drafted as a telegram, dated Dec. 9 (6064/E448696), which bears the marginal note: "Not as a telegram but by courier. v. N[eurath], Dec. 10." The resultant despatch, II Balk. 2967 Js., was dated Dec. 12 (6064/E448694-95).

No. 448

8991/E630565

*Unsigned Memorandum*¹

BERLIN, December 6, 1935.

IV Chi. 2269.

During a dinner at the Japanese Embassy, the Japanese Chargé d'Affaires told me that a few months ago the Manchukuo Government had requested Morishima, the new First Secretary of the Japanese Embassy here, who was at that time passing through on his way to Berlin, to sound the Reich Government as to whether they were pre-

¹ According to the Journal the original of this memorandum was signed by the Deputy Director [Erdmannsdorff]; it was consigned to a file which has not been found among the German Foreign Ministry archives.

pared to give their consent to the sending of a "trade commissioner"² to Berlin. Such an appointment seemed justified in view of the vigorous trade relations between Germany and Manchukuo and the fact that German Consuls were functioning in Manchukuo.

As we are endeavouring to increase German exports to Manchukuo and since, in addition, Ambassador von Dirksen intends to propose that a German Consulate General be opened in Hsinking, the capital of Manchukuo, or at least that a trade expert be sent there, Department III considers it expedient to agree to the suggestion transmitted by the Japanese Chargé d'Affaires. The reply should be given orally in the same non-committal form, and it should be pointed out that approval of a "trade commissioner² of Manchukuo" had nothing to do with the question of recognition.

Submitted herewith to the State Secretary with the request that he signify his agreement.³

² The words "trade commissioner" are in English in the original.

³ Marginal note in an unidentified handwriting: "Notes on the original: [i] The F[oreign] M[inister] agrees. Ko[tze], Dec. 16." [ii] "I would have no objection. B[ülow], Dec. 16."

No. 449

8631/E604846-47

The Ambassador in Turkey to the Foreign Ministry

SECRET

ANKARA—ISTANBUL, December 6, 1935.

KA

Received December 9.

III O 6208.

Subject: Turkish naval rearmament.

A discussion took place in Istanbul yesterday, presided over by Minister President İsmet İnönü, in the presence of Foreign Minister Tewfik Aras, and of the Minister of the Interior, Sükrü Kaya, and to which the German naval experts¹ and a few high-ranking Turkish officers had been called in. The question as to what further naval units Turkey would need to possess in order to defend the Dardanelles in the event of these [still] not being permitted to be further [*sic*] fortified, [*sic*? was discussed].

Admiral von Wülffing and the other German naval officers, who had to give impromptu answers to this question and to the question

¹ No information about the German naval experts in Turkey has been found except for a copy of instructions of Mar. 23, 1935, from the Reichswehr Minister to Rear Admiral (ret.) Wülffing von Ditten, then in Istanbul, that the German naval advisers in Turkey were to be formed into a Naval Mission, of which Wülffing was to be the head; to avoid the appearance of interference in Turkish affairs, the Turks were not to be informed of this arrangement (9842/E692369-70). Analogous instructions were sent on the same day to Lt. Gen. (ret.) Ritter von Mittelberger in respect of the former German Army officers who acted as military advisers (9842/E692371-73).

of the expenditure that would be involved, will prepare a memorandum on the discussion for me, which I shall not fail to submit.²

From the political point of view, the discussion is of interest because it shows that the Turkish Government are obviously still doubtful as to whether they will succeed in their claim to fortify the Dardanelles.³ Otherwise why should the question of naval rearmament have been raised only from the point of view of the increased [*sic*] fortification of the Dardanelles?

Moreover, I have subsequently learned that the rôle of mediator in Soviet Russian-British relations, which the British Ambassador⁴ recently alleged Turkey to be playing and on which I have also reported elsewhere,⁵ is to be rewarded by British approval of the fortification of the Straits. It appears, however, that difficulties have arisen in this respect, which, in view of Britain's unfavourable attitude in principle, may not be so easy to remove, notwithstanding Turkey's rôle as mediator.

Further, the fact is significant that in the discussions with the naval experts the question of fortifying the Bosphorus was not mentioned at all. This proves quite conclusively that now as ever it is Turkey's intention to continue her policy of reinsurance through Soviet Russia.

On the other hand, the question was brought forward in the naval discussions of whether Britain might attach special importance to the Dodecanese and whether, if Britain were to come into possession of these islands instead of Italy, this might not increase the danger for Turkey. Since, however, the opinion prevailed that Britain was safeguarded by her triangular base of Suez-Haifa-Cyprus, and would attach no importance to the possession of the Dodecanese, the Dodecanese problem was only mentioned from the point of view of defence against Italy.

It is unlikely that there is a direct connection between the discussion in Belgrade, which was of a military character and on which I have reported elsewhere from Ankara,⁶ and this discussion between the Minister President and the German naval officers; for yesterday's discussions here were concerned above all with a long term programme of naval rearmament. We shall have to pay attention to these discussions for they may result in a further close cooperation in the

² Not found.

³ The question of revising the Straits Convention of July 24, 1923 (which provided *inter alia* for a demilitarized zone there and the placing of freedom of navigation through the Straits and of this demilitarized zone under international guarantee) had been raised by Turkey at the Extraordinary Meeting of the Council of the League of Nations in April 1935 and again during the September meeting of the League Assembly.

⁴ Sir Percy Loraine.

⁵ Keller had reported information to this effect, which he had received from the Polish Ambassador, in telegram No. 167 of Nov. 28 (M214/M006964).

⁶ In telegram No. 169 of Dec. 3 (9608/E678306) Keller had reported that Turkey was taking part in the General Staff conversations of the Little Entente countries in Belgrade.

sphere of military policy, which may offer new possibilities to our industry.⁷

KELLER

⁷ Negotiations between the Turkish Government and Krupps and other German firms for the purchase of artillery and other armaments had been in progress for some months. Relevant documents have been filmed on Serial 9842.

No. 450

5563/E397368-73

The Reich Federation of Industry to the Foreign Ministry

STRICTLY CONFIDENTIAL

566/G/35

BERLIN, December 6, 1935.

Received December 8.

II M 155 g.

Subject: Deliveries of war equipment to Spain.

For the attention of Counsellor v. Schmieden.

We are enclosing one copy of the minutes of yesterday's meeting of the AGK¹ for your information and we would lay special emphasis once more on the need to treat this matter as strictly confidential.

Heil Hitler!

Reich Federation of Industry

Secretariat :

KOPPEN (?)

LUPIN

[Enclosure]

CONFIDENTIAL

MINUTES OF THE MEETING OF THE AGK HELD AT 10 A.M. ON
DECEMBER 5, 1935, IN THE BUILDING OF THE REICH FEDERATION
OF INDUSTRY

Subject: Deliveries of war material to Spain.

Chairman: Freiherr von Brackel (Reich Federation of Industry) deputising for the Director of the AGK, State Secretary (temporarily retired) Dr. Trendelenburg, who was unable to attend.

Present: See list of persons present.²

The meeting was opened by the Chairman at 10 o'clock.

v. LUPIN: In August of this year the Spanish Government suggested to the Reich Government that negotiations should take place about the discharge, by the purchase of war material, of the clearing surplus which has accrued. Talks with the Spanish War Ministry in September of this year disclosed that under pressure of the political situation

¹ See Editors' Note, p. 791.

² This annex is not printed (5563/E397374); representatives of ten firms and of the Dresdner Bank were present.

abroad and at home the Spanish Government wished to obtain certain types of war material in Germany as quickly as possible, because they have confidence in Germany's technical achievements and because German-Spanish trade presents particularly favourable economic conditions for the purchase of war material in Germany.

The Spaniards wanted to effect the orders in Germany through direct negotiation between the two Governments. On the recommendation of the German Embassy, the Spaniard Laiglesia was to obtain the orders from the Spanish War Ministry. Between Laiglesia and the representatives of the German firms cooperation based on mutual confidence has not materialized. No orders have so far been placed.

In order to clear up the difficulties which have arisen, the AGK sent Director General Eltze to Madrid at the end of November of this year.

ELTZE: The situation in Spain has changed considerably since the negotiations conducted by Lupin. Several changes of Government and the easing of external political pressure have reduced the urgency of placing orders for war material. At the same time Spanish expectations as to Germany's ability to effect speedy delivery, and regarding the release of certain material, have been disappointed. In consequence Spain has, e.g., in the field of artillery, concluded contracts with Vickers and conducted negotiations with Schneider-Creuzot. Spain's interest in orders for war material from Germany can, therefore, only be kept alive by means of reciprocal transactions advantageous to Spain.

For such reciprocal transactions the relevant Spanish commodities would be iron ore, oranges, bananas and certain raw materials, of which Spain has a surplus. Therefore, in agreement with the German Embassy in Madrid, an overall treaty on a compensation transaction has been proposed to the Spaniards; this to be to a total value of 150 million Pesetas, and for a period of three to five years. On the German side there are to be included in the treaty supplies to the Spanish Army administration. The Spanish payments are to be effected in such a way that $33\frac{1}{3}$ per cent of the 150 million Pesetas (i.e., 50 million Pesetas) is to be met in cash in foreign exchange, a further 15 to 30 million Pesetas to be met from the present clearing surplus, and the balance of 70 to 85 million Pesetas to be offset by the above-mentioned Spanish products.

Laiglesia has been charged by Director General Eltze with putting this transaction through with the three competent Spanish Ministries (War, Economics and Labour). For this he is to receive a commission of 2 per cent on the German deliveries. He has been given an opportunity of providing evidence of his contacts with the present Government, especially with the Catholic Party (CEDA).

Should the present Government, and above all the War Minister, Gil Robles, fall—which is not impossible—the consideration given to Spain's major export interests will ensure the possibility of further negotiations with any succeeding Governments. In this event Laiglesia's task could be considered to have been completed. In his stead Don Julio Weiss, legal adviser to the German Embassy in Madrid, permanent legal adviser [*Syndikus*] to the owners of the Spanish iron ore mines, and on several previous occasions a Spanish Cabinet Minister, would be the person best fitted for the task of putting this treaty through.

On December 2, 1935, the German Ambassador, Count Welzeck, submitted this additional compensation treaty to the Reich Ministry of Economics and the Foreign Ministry and received the approval of the Reich Government for this project. The Reich Ministry of Economics, in cooperation with the Ministry of Food, will prepare a list of Spanish goods for which additional quotas can be granted.

On the German side it will be expedient to begin by including in the overall treaty those transactions which are already near completion, e.g., certain factory installations, for delivery by the firms of Polte-Magdeburg and Hasse & Wrede, Berlin; further 15.5 cm. light field guns and 8.8 cm. anti-aircraft guns from the firm of Krupp, 2 cm. machine guns from Rheinmetall, machine guns from Simson-Suhl, motor vehicles and aircraft from various firms.

Since better conditions can be obtained by a consortium than by various firms acting separately, it is advisable for a consortium to be formed of such German firms as are interested in deliveries for the Spanish Army administration. The Director of the AGK recommends the formation of such a consortium, since to do so would meet the desire of the Spanish Government that the transactions should be dealt with uniformly. Admittedly care will have to be taken to preserve the outward appearance of competition between the German firms.

It is envisaged that the transactions should be carried out in such a way as to avoid the system of inviting tenders for the German deliveries. The activities of the representatives of German firms in Spain, and especially their opportunities for earning, will not be affected by the overall treaty. Supply contracts already concluded, and future transactions in war material which it proves possible to conclude on terms providing higher proceeds in foreign exchange, are not to be included in the overall treaty.

THE CHAIRMAN: The formation into a consortium of the firms invited here today is now open for discussion.

CHIEF ENGINEER SCHOLTZ, of BÜSSING—N.A.G.: Experience has shown that the linking of a transaction in heavy weapons with motor vehicles within the framework of a consortium transaction may, in

certain circumstances, lead to difficulties because motor vehicles and guns are subject to different conditions as regards the submission of tenders.

ELTZE: The proposed Spanish transaction does not involve the submission of tenders which are uniform where the time factor is concerned, but only that payment for independent transactions should be effected via the agreement.

THE CHAIRMAN notes that there is no objection to the formation of a consortium by the firms present.

ELTZE: It would be advisable to bring in a bank or a commercial firm to deal with the financing of the individual transactions and at the same time to preside in a neutral capacity.

The discussion on this point, and also on the question of financing the journeys of Lupin and Eltze, was summed up by the Chairman as follows:

(1) The firms present are to inform their representatives of the intention of concluding a treaty and founding a consortium.

(2) The administrative side of the consortium is to be entrusted to a bank. This bank will not be given a position of monopoly; on the contrary, at the firms' request the customary banking connections will be utilized.

(3) It is agreed that Director General Eltze will approach the Dresdner Bank.

(4) The expenses of about 4,000 RM so far incurred by the AGK for Spain are to be divided equally amongst the consortium firms. Subsequently there will be an assessment in proportion to the orders received.

The meeting closed at 11 : 30 o'clock.

No. 451

6691/H098618

The Foreign Ministry to the Consulate at Hong Kong

Telegram

SECRET

No. 7 of December 7

BERLIN, December 7, 1935—7:15 p.m.

IV Chi. 2274.

For Consul General Kriebel.¹

You should inform Chiang Kai-shek that you have spoken privately

¹ The document here printed was evidently sent in reply to telegram No. 2 of Nov. 30 (6691/H098617), addressed to Ribbentrop by Kriebel from Colombo, which reads: "I would request instructions on language to be held, to reach Shanghai by Dec. 12. The last eight words of your identic telegrams of Nov. 25 and 29 [not found] were impossible to decipher. In view of this and of possible developments in China, instructions are necessary before [my] arrival. I would suggest that Shanghai be instructed to leave the deciphering until I arrive." Kriebel's telegram bears the following marginal note: "Discussed with Herr v. Erdmannsdorff and afterwards with Herr v. Raumer. D[ieckhoff], Dec. 2."

with your friends and that they welcomed the general idea of a settlement in accordance with their sincere efforts for peace but could not at present see any way by which a settlement could be reached.² Mediation by us could only be considered if it were desired by both parties and no disadvantage to ourselves were to be expected. You should take note of proposals, if made, as to how mediation by us is envisaged. As the situation has changed in consequence of recent events³ and is very confused, you should treat the matter in a dilatory manner and prevent Chiang Kai-shek from making official *démarches* in this matter, since mediation by us is at present pretty well out of the question.⁴

RIBBENTROP
DIECKHOFF

² See also documents Nos. 416 and 452, footnote 1.

³ See also document No. 433.

⁴ Marginal notes: (i) [Typewritten and unsigned]. "The name of Ambassador von Ribbentrop is to be enciphered." (ii) "Submitted to the Foreign Minister. Ko[tze], [Dec.] 10."

No. 452

8991/E630564

Memorandum by the Director of the Economic Department

BERLIN, December 7, 1935.

Ministerialdirektor Wohlthat (Ministry of Economics) spoke to me today about negotiations through Herr von Ribbentrop with General Oshima of the Kwantung Army. He suggested that Herr Kiep should be informed about them, otherwise he could not conduct his discussions in Manchukuo properly.¹

RITTER

¹ Marginal notes: (i) "Herr v. Erdmannsdorff, I would like first to speak to you about this. Is Kiep kept currently informed via Tokyo or Nanking? Ritter, Dec. 9." (ii) [In Ritter's handwriting/shorthand.] "Dec. 11. Kriebel Fürholzer note Wang Chiang-wei [see document No. 416] Führer directive:

"a) mutually prepared [word illegible] development,

"b) cooperative opposition to Communism. R[ibbentrop]-Oshima; military alliance N[eurath]-Führer. E[n]g[l]an[d]. Kriebel has sent telegram to W[ang] C[hing]-w[ei] which apparently exceeded R[ibbentrop]'s intentions. R[ibbentrop] [?] has on the other hand approved instructions [see document No. 451]. Kriebel [?] is writing to Tokyo . . . [shorthand illegible] but not to Nanking as he is not on good terms with T[rautman]n." For Minister Kiep's unofficial German Economic Study Commission in the Far East, see Editors' Note, p. 782.

[EDITORS' NOTE: For documentation on the London Naval Conference (December 9, 1935–March 25, 1936) see *Foreign Relations of the United States, 1935*, vol. 1, pp. 64–161, *Foreign Relations of the United States, 1936*, vol. 1, pp. 22–101 and *Documents of the London Naval Conference, 1935* (London, H.M. Stationery Office, 1936).

A minute by Lt. Cdr. Mössel, SK I, dated December 4 (7790/E561943), notes that the C. in C. and Ribbentrop had agreed on

the following points for a directive on the press treatment of the forthcoming Naval Conference:

"1. Treatment of the questions to be raised at the Conference to be purely informative.

"2. No criticisms from our side.

"3. In special cases where a German standpoint is required, directive to be arranged by the High Command in agreement with Ambassador Ribbentrop."

Attached to this is a minute in Raeder's handwriting (7790/E561944-45), evidently recording his conversation with Ribbentrop, which reads:

"1) v. R[ibbentrop] is in agreement with the previous composition [i.e., of June 1935] of the Delegation, if it is to be sent. But no previous communication (Wassner).

"2) v. R[ibbentrop] is in agreement with the press directives. I[nformation] can issue them as set out above.

"3) I[nformation] office when announcing information (on point 3 [above]) to the press conference is to work in close cooperation with v. Ribbentrop—Press Bureau.

"4) v. R[ibbentrop] will propose to the Führer that we only go to the Conference if we receive assurances that Britain obtains *in advance* recognition of the Naval Agreement [of June 18, 1935] by the other [Powers], so that there is no possibility of France, etc., invoking the Treaty of Versailles."

In a memorandum of December 10 (7456/H176258-59) Schmieden recorded that the composition of the delegations to the London Conference justified the assumption that political problems might also be discussed and urged that steps be taken to ensure that the Foreign Ministry took part from the outset in the planning of possible German participation later on.

The following minutes (7456/H176260-63) are attached to this memorandum:

(i) "Min[isterial]dir[ektor] Köpke:

"I should like to make the following observations on the attached memorandum by Herr v. Schmieden: I, too, regard it as urgently desirable that the Foreign Ministry should not be represented only by Herr Kordt in a possible German Delegation to the London Naval Conference, which would probably again be under the leadership of Herr v. Ribbentrop. In my view either Counsellor of Embassy Prince Bismarck or Herr v. Schmieden should be permanently seconded to the Delegation. Experts on particular subjects (from IV OA or V) can be attached as required.

"In my opinion it would be appropriate first to ask the Foreign

Minister for a decision on this. The question of our participation in the preparations would then solve itself. Frohwein, December 11."

(ii) "St[ate] S[ecretary]:

"I do not consider a decision to be so urgent. It would appear desirable that we first wait for the settlement of other basic questions in the spheres of personnel and organization. I assume that there will be sufficient time for this. Technically I consider Frohwein's suggestion possibly to second Herr v. Schmieden to the Delegation to be useful. I would not burden Prince Bismarck with the work of the Delegation in addition to his other duties. Köpke, December 11."

(iii) "H[err] M[inisterial]d[irektor] Dieckhoff.

"H[err] v. Schmieden.

"Resubmit in 3 weeks' time.

"F[rohwein], December 13."

(iv) "H[err] v. Schmieden. According to the latest reports it now appears that, at France's insistence, the inclusion of Germany and Russia is to be abandoned for the present. Resubmit in a month's time. F[rohwein], January 25."

Wassner had reported information in the sense of (iv) above in despatch Mar. No. 59 of January 17 (7790/E562030).

In despatch Mar. No. 105 of January 31 (7790/E562039-45), Wassner reported a long conversation with Craigie in which the latter gave a detailed account of the progress so far made in the negotiations.

For the first detailed proposals to Germany see document No. 555.]

No. 453

6025/H047370-73

Memorandum by the Deputy Director of Department VI

BERLIN, December 10, 1935.

IV Ru. 5085.

Subject: Conversation with the Soviet Ambassador and with Counselor of Embassy Bessonov.

After consulting the State Secretary, I made an appointment to pay a courtesy call on Ambassador Suritz. Immediately after I had made the appointment, M. Bessonov telephoned and asked if he might call on me.

M. Bessonov opened the conversation with the following question: How could German-Soviet relations be improved? I replied that officially I had no longer anything to do with the political relations between Germany and the Soviet Union¹ and that I would prefer to avoid a conversation on this matter. M. Bessonov, however, insisted on discussing this question, whereupon I gave it him as my private opinion that the Soviet Government, if they really wished to improve the present situation and work for a normalization of relations, should take the initiative in improving the general atmosphere. To this end it was necessary that (1) press attacks and the vilification of leading German personalities, of the National Socialist Party, and of the intentions of the German Government, should cease; (2) obvious understanding of the requirements of German foreign policy should be shown; (3) our wishes in consular matters should be met (treatment of Germans and of Soviet subjects of German descent in the Soviet Union, and the Church question).

M. Bessonov was hoping that an improvement of the atmosphere might result from the impending economic negotiations. I replied that I had no information on these matters, but that I would not conceal from him that the method of negotiation adopted by the Russian negotiators and the subsequent treatment of German deliveries by Russian authorities (carping criticisms and unjustified complaints) had contributed a great deal towards seriously impairing the favourable moral effects of trade relations.

Ambassador Suritz also led off his conversation with me by saying that he would ask me, as an old acquaintance and an expert in German-Russian relations, to give him my advice as to what should be done to improve German-Soviet relations and above all what he personally could do to achieve this end. In this conversation, too, I insisted repeatedly that I was no longer officially concerned with German-Soviet political relations and that I was not at all competent to discuss them. But I said I would like to remind him of a remark M. Litvinov had once made. In 1933, when German-Soviet political relations had begun rapidly to deteriorate and leading Soviet personalities had expressed grave misgivings about Germany's love of peace, Ambassador Nadolny² had repeatedly asked M. Litvinov during their conversations what the Soviet Union expected Germany to do in order to allay this distrust.³ M. Litvinov had made use of these questions, which Herr Nadolny had put in the course of conversation, in his speech before the Central Executive Committee on December 30 [*sic*], 1933, for the purpose of stating publicly: "The German Ambassador has repeatedly asked me what Germany should do in

¹ See document No. 383, footnote 1.

² Rudolf Nadolny, German Ambassador in the Soviet Union, September 1933–June 1934.

³ See vol. II of this Series, document No. 127.

order to reassure the Soviet Union. I now answer him: Stop doing what you are doing now and we shall be reassured."⁴

I did not conceal from Ambassador Suritz that, from my latest impressions in Moscow, I personally was not yet convinced that there existed on the part of the Soviet Government and other authoritative quarters in the Soviet Union a sincere desire to restore relations with Germany to normal. One could easily suppose that the recent tendency, shown by the Soviet Union, outwardly to draw nearer to Germany, was a tactical manoeuvre which would fizzle out when the pressure thus applied to France had done its work. But if there was in fact a serious desire on the part of the Soviet Union to place relations on a normal footing, then the Soviet Government must, in some form or other, take the initiative. It was above all necessary that we should not always encounter the Soviet Union as opponents on our political path. For example, M. Litvinov had not only told foreign statesmen, but had also told me bluntly that the whole sanctions question was of interest to the Soviet Union only in so far as it formed a precedent for possible use against Germany.⁵

M. Suritz went into all manner of details and wanted to know whether I considered a development of the Berlin Treaty⁶ to be feasible; what effect the strengthening of economic relations would have on the political situation; whether a development of cultural relations was possible; whether he should intensify his social activities in Berlin, etc. I declined to go into any of these details. It emerged very clearly from this whole conversation that M. Suritz has strict instructions to do everything in his power to bring about, at least outwardly, an improvement in mutual relations. In parenthesis I should like to add that he repeatedly emphasized that the idea that M. Litvinov was an opponent of German-Soviet relations was entirely mistaken.

Submitted herewith for information to Consul Hencke.⁷

TWARDOWSKI

⁴ Extracts from Litvinov's speech of Dec. 29, 1933, before the Central Executive Committee are printed in *Soviet Documents on Foreign Policy* (London, 1953), vol. III, pp. 48-61. See also vol. II of this Series, document No. 161.

⁵ No record of such a conversation with Litvinov has been found but Twardowski described similar views in a minute dated Oct. 22 recording his impressions of the main lines of Soviet foreign policy, gathered in conversations with Heads of Foreign Missions during his farewell visits in Moscow. A copy of this minute was forwarded to the Foreign Ministry by Schulenburg under cover of report A 2320 of Oct. 28 (6025/H047331-37).

⁶ See document No. 236, footnote 9.

⁷ Marginal note: "Submitted to the Foreign Minister. Ko[tze], [Dec.] 11."

No. 454

3015/598373-74

Memorandum by the Foreign Minister

BERLIN, December 11, 1935.

RM 950.

The High Commissioner for Danzig, Mr. Lester, who was passing through [Berlin] on his way to Geneva, visited me today in order to inform me, as he put it, in a purely personal way of the situation in Danzig. He said that when he assumed the office which the League of Nations had entrusted to him he had been aware that he was assuming a particularly difficult and tricky office. He had endeavoured to interfere as little as possible in party political disputes in Danzig and had tried as far as possible to exert a moderating influence. Recently, however, the situation had become so much more critical, primarily in consequence of the activities and speeches of Gauleiter Forster, that he could no longer accept the responsibility for a peaceful development of events in Danzig and must now so report to the members of the Council of the League of Nations, who were at present in Geneva.¹ He disregarded the fact that he himself had repeatedly been threatened—that made no impression on him. Much worse were the physical attacks by National Socialists on their political opponents, which had of late been taking place almost every day. To this must be added the constant infringements of the Danzig constitution by the Government and Gauleiter Forster's speeches with their threatening tone (e.g., on November 16),² and more recently those of President Greiser. In all his statements and actions Forster based himself on the alleged approval of the Führer, of whose views on a speedy solution of the Danzig question in the German sense he said he was fully informed. In his latest speech³ President of the Senate Greiser had spoken of Germany's growing military power, uttering open threats. He, Lester, would now have to report on all this to Geneva. He regretted that he was forced to do so; but as a respons-

¹ On Dec. 9 the Council of the League of Nations had been summoned to meet in private session on Dec. 17; it actually met on Dec. 18. Danzig was not discussed at this session. For Lester's conversations in Geneva see also documents Nos. 473 and 492.

² A despatch by Radowitz dated Dec. 9 (6023/H044694) on this speech reads: "Enclosed is a cutting from the *Danziger Vorposten* of Nov. 18, 1935 [M234/M007936-39], which reproduces Gauleiter Forster's speech of Nov. 16 on the occasion of the Kreis Party Rally. No exact text of this spontaneously delivered speech is to hand. I personally was present at the function. No utterance such as that attributed to the Gauleiter in the Polish press comment under reference, namely an appeal to the Führer in respect of the reincorporation of Danzig in the Reich, was made. Admittedly Herr Forster did point out that the Führer, whom he himself constantly kept fully informed of conditions in Danzig, took the most lively interest in the fate of Danzig. It is impossible to see anything politically exceptionable in this choice of words."

³ See document No. 442, footnote 2.

ible representative of the League of Nations he could now no longer observe developments in Danzig in silence.

I tried to calm Mr. Lester and to assure him that we too were doing all we could to ensure a peaceful development. But Mr. Lester was obviously so annoyed that he could not be calmed down.⁴

V. N[EURATH]

⁴ A minute of Dec. 13 by an unidentified Foreign Ministry official (9062/E635904), recording a telephone message from Thomsen (Reich Chancellery) received at 12:45 p.m., reads: "Foreign Minister von Neurath's memorandum on his conversation with the Reich [sic] Commissioner for Danzig, Lester, has been submitted to the Fuhrer and Chancellor, who thereupon called for a report from Gauleiter Forster as quickly as possible." Lamers accordingly wrote to Forster on Dec. 12 (5817/E424014), forwarding a copy of Neurath's memorandum and requesting a report. On Jan 17, 1936 (5817/E424016) Thomsen minuted that the matter had been settled at an interview between Hitler and Forster on the previous day. No record of this interview has been found.

No. 455

9172/E645224-25

The Ambassador in Poland to the Foreign Ministry

V III 3a

WARSAW, December 11, 1935.

Subject: Discussion with the Polish Foreign Minister on Corridor payments.

Foreign Minister Beck, on whom I called yesterday after returning from leave, mentioned, amongst other things,¹ the question of the Corridor payments,² and said that he sincerely regretted the course this matter had taken. He had been obliged to report to the Minister President³ that, since Berlin had not even communicated a counter proposal, diplomatic means had now been exhausted. He assumed that the railway administration would now take measures of its own to safeguard its interests.

I replied that naturally we also regretted that it had not proved possible to reach a satisfactory settlement of this matter, but that it was my impression that the Polish proposal⁴ had been based on a somewhat inaccurate assessment of Germany's foreign exchange difficulties. As things were at present, it had in fact been quite impossible for us to discuss this proposal. In my personal opinion, it would in any case have been more useful if the emphasis had been placed not on the accumulated arrears, but on determining to what extent it would be possible in future to reduce the amounts falling due each month by technical measures, lowering of tariffs, etc. M. Beck replied that everything could be discussed, but that the regrettable thing about the German reply had been that it had not contained any

¹ In despatch PV 17 of Dec. 11 (9062/E635907-10) Moltke gave some further details of this conversation.

² See documents Nos. 409 and 436.

³ Marjan Zyndram-Kościałkowski.

⁴ See document No. 409.

counter proposal which might have made it possible to pursue the matter further. I replied that, as far as I had been informed, Herr von Neurath had pointed out the necessity for reducing tariffs,⁵ and that this surely did indicate a line on which further negotiations could have been conducted. M. Beck replied that he would make no further suggestions in the matter. He had reported to the Minister President that he could do no more. On the other hand, he assumed that the measures envisaged by the railway administration would not be put into effect over-night. The German Government would doubtless be informed well beforehand. Perhaps the interim period before these measures were put into effect could be used to discuss the problem once more. He need not emphasize how much he, for his part, would welcome it, should it still prove possible to avoid measures being taken by the [railway] administration.

VON MOLTKE

⁵ No record of this has been found. For Neurath's memoranda on his conversations with Lipski on Nov. 4 and Nov. 30, see documents Nos. 392 and 436.

No. 456

3015/597770-71

Memorandum by the Foreign Minister

BERLIN, December 12, 1935.

RM 958.

The British Ambassador approached me again today about the British suggestion for the exchange of Memelland prisoners with Lithuanians imprisoned in Germany.¹ He stated that the communication made by Geheimrat Roediger to Counsellor of Embassy Newton² had had a very depressing effect in London. It had been hoped that we would have been more accommodating in this matter, since, at our request, the British had, after all, by exerting strong pressure on the Lithuanian Government, caused the Memel Directorate to be constituted and were apparently about to induce the Government in Kovno to make further concessions. I told the Ambassador in reply that, as I had often said before, there could be no question of deporting the Memelland prisoners to Germany. They were not German nationals but Memellanders. It was not our fault that this dwarf state had been created. If we agreed to accept Memellanders uncondi-

¹ See document No. 377. According to memoranda by Neurath of Nov. 16 (3015/597759) and Dec. 4 (3015/597760-61) Phipps had again reverted to these proposals in conversations with him on those dates, and had been informed that they were not acceptable.

² In a conversation on Nov. 11, recorded by Roediger in a memorandum of even date (3015/597766-69), in which it was explained that the German Government, whilst willing to release the Lithuanian prisoners, could not agree to the proposed deportations from Memel.

tionally into Germany this would tempt the Lithuanian Government to deport all undesirable elements to Germany. I must also again emphasize that the prisoners had their homes, their possessions and their livelihood in the Memelland; they must therefore be given their freedom there.

The Ambassador then asked whether we would decline to accept these prisoners of German stock even if they left the Memel Territory of their own free will. I replied that we had never refused entry to Germans who, of their own free will, wished to emigrate to Germany. What we did not want was that, through the Lithuanian Government's direct or indirect measures, the Memel Territory should be cleared of those of its inhabitants who were of German stock.

The Ambassador went on to say that Herr Roediger had told Counsellor Newton that we refused to negotiate directly with the Lithuanians about the question of a possible exchange; this had made a very unfavourable impression in London. I replied that we must decline to negotiate directly with the Lithuanians because, as I had already emphasized, it was not prisoners of German Reich nationality who were involved. On the other hand we would, of course, be prepared, if the Lithuanians so desired, to discuss the matter in its entirety with them. I did not, however, believe that much would come of it. The Ambassador asked whether he might report this to London; I said he could. It transpired from his statements that the Foreign Office in London would like to get out of its rôle of mediator.

V. N[EURATH]

No. 457

8024/E577660-61

Memorandum by an Official of Department II

BERLIN, December 12, 1935.

e.o. III O 6337.

The First Secretary of the Italian Embassy, Count Magistrati, called on me today on another matter and then turned the conversation to the Paris peace proposal,¹ which he described as an extraordinary success for Italy. True, he immediately added that violent resistance to the plan was expected, especially in Britain herself, but also from other States, especially Russia and probably Poland too. For Italy, he said, the proposal could be considered as a point of departure, not as a basis for negotiations. The negotiations themselves would undoubtedly drag on for months—he mentioned six

¹ The reference is to the so-called Hoare-Laval proposals formulated at a meeting in Paris on Dec. 7 and 8; see British White Paper, Cmd. 5044 of 1935, Nos. 5, 6, and 7, Laval's statement at Geneva on Dec. 12 (League of Nations: *Official Journal*, Special Supplement No. 147, pp. 7-8), and Hoare's statement in the House of Commons on Dec. 19, *Parl. Deb., H. of C.*, vol. 307, cols. 2007-2017.

months. It was certain that Mussolini would not conduct any negotiations under pressure of an oil sanction.

What Signor Magistrati said about the contents of the proposal (Tigre-Danakil-Ogaden-Southern settlement area) agreed with today's press reports. He added that the text of the conditions was not yet available in the Embassy. Should there be negotiations, Italy, he thought, would probably direct her endeavours to two questions. Since the Amharan provinces were to come under a system of League of Nations assistance, the question would be to what extent Italian influence or the influence of other Powers, i.e., of Britain, would prevail in this system. Further, attempts might be made to achieve, for the purpose of guaranteeing the Abyssinian corridor to the port of Assab, a neutralized corridor through Harrar to connect Italian Somaliland and Eritrea.²

Of interest was Magistrati's observation that the Paris proposal was due to the changed attitude of Laval. Mussolini's resolute action against the oil sanctions, which were extremely dangerous for Italy, had convinced Laval that these sanctions would render military incidents, and thus war, inevitable. He had therefore abandoned his intermediary tactics and had adopted an unambiguous attitude at the Paris meeting.

In connection with this account given by Magistrati, I would also draw attention to the withdrawal of the Brenner divisions which Mussolini ordered as a counter measure against the threatened oil sanctions. This may well have reinforced Laval in his view that the possibility of restoring the Stresa front was seriously endangered.

LORENZ

² In telegram No. 237 of Dec. 12 (8024/E577640-41) Hassell reported on the Italian view of the Anglo-French proposals after conversations between himself and Aloisi, and Plessen and the Head of the Political Department of the Italian Foreign Ministry. Hassell's own impression was that, although Italy was not satisfied with the proposals, she would not reject them as a basis for negotiations.

No. 458

8024/E577647-53

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 239 of December 12

LONDON, December 12, 1935.

Received December 13—1:20 p.m.

III O 6313.

The latest action¹ by Britain in the Italo-Abyssinian conflict requires a twofold explanation: firstly, as to its principles, and secondly, with regard to the practical decisions taken.

¹ See document No. 457 and footnote 1 thereto.

I. *In principle* this action does not constitute any reversal of British policy, but is rather its logical execution.

The British Government have never aimed at the humiliation of Italy and still less at the overthrow of Mussolini, a possible development which, on the contrary, they regarded with the greatest alarm, owing to the danger involved of chaos in Italy and Europe. Time and again Baldwin and Sir Samuel Hoare have described their political aims as being, in addition to maintaining the principles of the League, to achieve a peaceful solution, defined as being acceptable to the three factors: League of Nations, Italy and Abyssinia.

As long ago as October 23, at the end of my telegram No. 217,² I drew attention to the aversion felt by the British Government at Britain in the rôle of whipper-in of the Sanctions Powers. The Government, I continued, knew that in the matter of applying sanctions they must reckon with constant new attempts at sabotage by France and thus constant Anglo-French friction. They also knew that it would not be easy to keep the flock of Sanctions Powers, with their conflicting interests and egoistic desires, together and up to the mark. The Government's wish, I concluded in my report, was certainly that it might soon prove possible to find a solution acceptable to all, which would then also permit of the severely shaken relations with Italy and the not undamaged relations with France being restored to normal.

The fact of the question of the oil embargo becoming acute has brought recognition of the fact that there must thus arise the question of a ruthless suppression of Italy, coupled with the possibility of Mussolini committing some desperate act. This has led the British Government, under strong pressure from France, to decide to let the intervention, which they had all along intended, in favour of a compromise solution, now take place. That this is not a sudden and unprepared decision is known to the Foreign Ministry from my telegram No. 224 of November 8,³ in which I reported under point 4 that Sir Robert Vansittart had already at that time mentioned the second half of December to me as a possible date when prospects of a solution might eventuate, and in which I further stated that from my conversation with Vansittart I had gained the impression that Britain would not of herself insist absolutely on a return to the proposals of the Committee of Five if possibilities of a solution on a basis more favourable to Italy should offer.

Britain has not from the very beginning been fundamentally opposed to an extension of Italian influence in Abyssinia, as is, of course, already evident from British cooperation in the proposals of the Committee of Five which, *de facto*, opened up to Italy possibilities

² See document No. 379, footnote 2.

³ Document No. 404.

of a far-reaching peaceful penetration of Abyssinia. Therefore, Britain was not so greatly concerned with preventing Italy from establishing herself in Abyssinia—British imperialist interests have in general played only a very subordinate part in British actions—but rather with having on record for the future the example of unprovoked aggression encountering a world front united against the aggressor. In other words, they wished at all costs to avoid, after the precedents of Manchukuo and Northern China, a fresh precedent being now set up in Abyssinia of an unrestricted campaign of conquest. For this, it is thought here, might only too easily lead to a third case—which, of course, applied to Germany. These reasons alone determined the course adopted by British policy, the guiding idea being that Britain did not wish in any circumstances to be drawn into war with Germany again. It is thus evident that Britain was naturally equally averse to a war with Italy, and was accordingly willing to pursue and cooperate in the sanctions campaign against Italy only in so far as the danger of warlike developments seemed to be excluded.

II. From the point of view of the practical decisions taken in Paris, a considerable breach has appeared in the *basically* consistent British policy. This can doubtless be explained by the fact that Sir Samuel Hoare and Sir Robert Vansittart, on their most recent visit to Paris, were once again fooled by the superior cunning and unscrupulousness of the French.

As you are aware, Vansittart informed me on December 6, before he left for Paris (cf. my telegram No. 237),⁴ that the forthcoming visits by himself and Sir Samuel Hoare stemmed from the desire to endeavour to clarify what possibilities of a solution might exist, before the situation possibly took a more acute turn. He added that the British Government were well aware of the serious disadvantages entailed in a continuance of the existing state of conflict, and would be extremely glad were possibilities of a settlement to emerge, although admittedly there were so far no tangible signs of it. Sir Robert also observed that there was so far no Anglo-French agreement about how next to proceed, but he thought it possible that Laval, on his own initiative, had taken soundings in Rome of which the Foreign Office were not yet informed. Apparently the British representatives then found that a plan existed in Paris which had been more or less agreed between Laval and Mussolini and which the British at first resisted. Thereupon Laval seems to have told them that he could not take part in the oil embargo which was to be discussed in Geneva, since this must lead to the collapse of Italy and, in consequence, to the possibility of an act of desperation by Mussolini. Laval seems to have added that, in view of the mood prevailing among the French

⁴ Of Dec. 6; not printed (8024/E577622-23).

people, he could not promise Britain French support in the event of Italy's committing acts of aggression against the Sanctions States, i.e., against Britain, once the oil embargo had been introduced. Obviously impressed by this warning, and frightened, too, by the prospect of a fresh Anglo-French struggle over the sanctions problem, the British representatives finally agreed to the solution proposed by Laval, subject to some modifications. But they obviously had a guilty conscience about it, for they sent the British expert, Peterson,⁵ on a night journey to London with the project, so that on the following morning the British Cabinet could first state their views. In order, as far as might be, to make it impossible for the British Cabinet to impose a veto, the French, following the methods so beloved in Paris, immediately allowed the details of the plan to leak to the press, so that the Cabinet here found themselves confronted with a kind of *fait accompli* to which they had to reconcile themselves if they did not wish to risk an open disavowal of the British Foreign Secretary and a rift with France.

There is no doubt that the British Government are now in a difficult position both at home and abroad. The nature of the proposed solution makes its acceptance by the League of Nations very doubtful and its acceptance by Abyssinia improbable. On the other hand, it would appear extremely difficult for Britain to return to the integral standpoint of sanctions. As regards the British aim of preserving the principles of the League of Nations, it is true that the possibility of collective punitive action has been proved, but the thesis of protecting against an aggressor the territorial integrity of the victim state, has, as a result of the course taken by events, suffered a serious setback.

It cannot, of course, be foreseen how matters will now develop. We must, however, realize that the German problem, which has already, beneath the surface of the Italo-Abyssinian conflict, had a decisive influence on the shaping of events, will continue to exert its influence on developments in future as well. Over and above the Abyssinian question, the British and French Governments have long had their eyes on the German question, albeit from different points of view. What Britain wants, now as previously, is that Germany should be brought back into an international system for securing peace and that at the same time normal relations with Italy should be restored. This system for securing peace should be based upon a League of Nations whose structure should be as universal as possible, or at least universal in Europe, and in which the principle of evolution should find a place beside that of steadfastness. The fact that the League of Nations has survived in part in the present conflict should in principle ensure its continued existence. Armaments treat-

⁵ See document No. 412, footnote 1.

ies and special agreements with regard to the air should supplement the security system.

Whatever difficulties the most recent turn of events in the Abyssinian conflict may bring, the guiding principle outlined above will remain decisive for British policy.⁶

HOESCH

⁶ Marginal note in Pilger's handwriting: "Not to be forwarded to Missions and [outside] Departments."

No. 459

5873/E429625-31

The Minister in Greece to the Foreign Ministry

SECRET

II GJ 3

ATHENS, December 12, 1935

Received December 19.

II M 234 g.

Subject: Conversation with King George¹ concerning German-Greek relations and the supply of war material from Germany. French attempts at obstruction?

With reference to my telegram.²

As the press announced on December 10 that a meeting of the Supreme Defence Council, with King George in the chair, would take place on the afternoon of the following day in order to settle the question of arms for the Greek armed forces, I took care to ensure that the representatives of the Export Consortium for War Material (AGK) and of the Dresdner Bank, Herren Eltze and Rambow, would have the opportunity of meeting with the Finance Minister, Mantzavinos, and the Vice Governor of the Bank of Greece, Varvaressos, on the morning of December 11, so as to start on a discussion of financial ways and means in the event of armaments being supplied by Germany. I myself informed the Minister President, Demertzis, and then requested an audience of the King, who received me that same morning of the 11th, the audience lasting nearly two hours.

No witnesses were present at our conversation. I told the King that I had been informed that I was to be transferred³ and that I should therefore soon have to present to him my letters of recall. I was particularly grateful to him for granting me this private audience, as I was anxious to give him my views on German-Greek relations, which had developed in so gratifying a manner, and also because I wished personally to give him information about the most important

¹ King George II had returned to Greece on Nov. 25, 1935, after a plebiscite on Nov. 3 had resulted in a majority in favour of the restoration of the monarchy.

² Not printed; No. 114 of Dec. 10 (5562/E396872).

³ To the Legation in Czechoslovakia.

matter now pending, namely the question of supplying armaments. I then gave a brief account of our political, cultural and economic relations. From the political angle I stressed that there was no friction of any kind between Germany and Greece and that, while reason prevailed, there never could be—which the King smilingly and animatedly confirmed—but that there was one danger, namely the repeated attempts, e.g., by Titulescu, to coordinate the Balkan Entente with the Little Entente. I pointed out that such coordination would be contrary to the original aim and intention of the Balkan Entente as repeatedly set forth to me by the Greek Government, and would inevitably cause the Balkan Entente to be politically active in territories outside the frontiers of the Balkans, i.e., in the Central European area, and that this could not but lead sooner or later to a clash of German and Greek interests. I further told the King that, after the last meeting of the four Foreign Ministers of the Balkan Entente in Bucharest, there was conveyed, at the instance of the then Greek Foreign Minister, Maximos, to me, here in Athens, by the Minister President, Tsaldaris, and to the Foreign Ministry in Berlin by the then Greek Chargé d’Affaires, a binding and solemn assurance that Greece would neither participate in any combination directed against Germany, nor do anything which could be taken to be directed against us. I expressed the hope that Greek foreign policy would continue to follow this course. The King agreed.

In the sphere of cultural policy I reminded the King that we had to a remarkable degree to thank his late mother, Queen Sophia, for the spread of the German language in Greece. We were now endeavouring to advance this work, particularly in the high schools, where the majority of teachers had obtained their academic education in Germany, and by providing scholarships for Greek students. I pointed out that in this respect our cultural propaganda avoided any form of political persuasion. This last remark seemed particularly to please the King, who made a comparison with the blatant propaganda of other countries, which evoked nothing but resistance and rejection. I told the King that interest in, and love for, Hellenic culture had always been strong in Germany. Our classical poets had steeped themselves in the spirit of Greek culture, the most stirring songs on the Greek struggle for freedom had been written in Germany, the great public buildings which were now arising in Germany all bore classical features, the Führer took a lively interest in Greece, and in Minister President Göring the Greek people had won a friend. One consequence of the spiritual links between our countries was the steadily growing stream of German visitors who brought money into the country and took home with them a grateful remembrance of Greece.

In discussing economic exchanges, I endeavoured to make clear to

the King that Greece could not live without her German customers and that, in particular, a reduction or cessation of our purchases of tobacco must lead to the impoverishment of the Macedonian peasants and thus to grave disturbances in Greek domestic politics. Careful fostering of these relations was therefore as much an economic as a political imperative. In spite of our own straitened circumstances, we were doing everything to consider and aid our Greek trading partners and friends. In our economic relations, dominated as they were by the clearing system, there arose a danger from the high figure attained by the active Greek balance, which for a large part had been carried forward from the recent bad years and which, moreover, was the result of the natural structure of trading relations where the bigger partner could accept goods to a higher value than could the smaller partner.

But the fact of a constant active balance in Greece's favour arising from the exchange of goods made it possible for Greece to obtain commodities from Germany which she could not purchase from other countries for lack of sufficient supplies of foreign exchange. It was therefore natural that Greece should obtain her war material requirements from Germany, where she was able to pay for the major portion of her purchases by her own exports of goods. I said I assumed that the King must be much concerned that the projected re-equipping of his armed forces should transform them into an effective instrument of defence which would give Greece greater political weight, especially with her allies, and that he should be concerned to bind the armed forces to his person and thus provide himself with a reliable bulwark for his throne in the ever-changing currents of internal politics.

I then informed the King about the despatch of the Greek Naval Mission to Germany, about the negotiations which had taken place between Kondylis and Theotokis⁴ on one side and myself on the other, and about the complete elimination of middlemen, whose commissions would have burdened the Greek State, as buyer, with enormous payments, about the founding of the German Export Consortium [*Ausfuhrergemeinschaft*],⁵ and finally about the activities here of General Auer, Admiral Kinzel⁶ and Herren Eltze and Rambow, and about the Greek Government's intention of sending an Air Mission to Germany.

⁴ On Oct. 10 the Tsaldaris Government had been overthrown by General Kondylis whose Foreign Minister was Count Theotokis. For Eisenlohr's reports on these negotiations see document No. 369 and footnotes 4 and 5 thereto.

⁵ In telegram No. 80 of Nov. 9 (5562/E396788), the Legation in Greece was informed that the Reichsgruppe Industrie had set up a consortium to handle arms deliveries to Greece and that Director General Eltze and General Auer (ret'd.), formerly a departmental head of the Army Ordnance Office, had been appointed commercial director and technical adviser respectively.

⁶ According to a communication, M I 2245 of Nov. 1 (5562/E396779), from the C. in C. Navy to the Foreign Ministry, Vice Admiral K. Walther Kinzel (ret'd.) had, at the Greeks' request, been nominated as a specialist on coastal artillery.

The King repeatedly and most warmly thanked me for this information. He said that my statements were the more valuable to him as, that afternoon, in the Defence Council, he proposed to begin to take these matters into his own hands, and as, hitherto, none of his own people had given him clear and comprehensive information—not even Theotokis, who had expounded the subject more from the technical angle than from that of foreign affairs. This last remark caused me to prick up my ears; it confirmed something which up till now I had only suspected, namely, that before myself the King had received the French Minister, who had previously endeavoured to protest to the then Foreign Minister, Theotokis, on the grounds of the Treaty of Versailles, against the placing of orders for military supplies in Germany, but whose protest had been rejected.

When I had concluded my observations, the King replied that naturally he was not able to give me any definite assurances today, nor was he fully aware of the financial possibilities, but that the subject was one to which, for the reasons which I had set forth, he would personally concern himself. He then himself continued the conversation, complaining of the state in which he had found the country and its public life and saying that he was not depressed, but impatient. He daily saw as many as forty people, but by the evening hardly one remained in his mind, there were so few clearly defined personalities, and clear and honest statements were so rare. He sought my advice about whom to entrust the reorganisation of the Army to, and spoke in bitter terms of the lack of technical proficiency among the Generals, mentioning some names. He said that as leaders of the political parties he found only old and sick men—which is quite true; he said he had the feeling of standing midway between two generations, but that the young people had not yet come forward in political life—that, too, is true and very acutely observed. He praised the loyal behaviour of Kondylis, he wanted to know what were my relations with Maximos and what I thought of him, he questioned me about Varvaressos and showed a certain irritation with Theotokis. The latter, in speaking to him, made a particular point of stressing his own independence, because he had previously been a member of Queen Sophia's Court and did not wish the public to think of him as a courtier. Now, when the King wanted him, Theotokis was in Corfu. The King also indicated that complaints by foreign diplomats about Theotokis' boorishness had come to his ears; he can only have been alluding to the French Minister. I told the King in reply that during my long service in Greece I had come to know many Greeks and was on friendly terms with many of them, as, for example, Maximos or Tsaldaris. But the people I valued most for their impeccable character and their selfless work were the Venezelist, Varvaressos, and the Royalist, Theotokis. If constructive work was to be done, or should

difficult times come, the King could rely on both these men. The King then spoke of his stay in Rome, of the excitement of the Italians, who now presented a quite different appearance, and of the nervous tension of Mussolini, whose Napoleonic pose very quickly gave way to an air of lassitude.

George II is a man of fresh and healthy appearance, robust, of middle height, and bears himself well. He is undoubtedly animated by the sincerest intentions of measuring up to his task. Whether he is strong enough to do so remains a moot point. There is no doubt that he lacks the training for his difficult office, otherwise he would not have spoken so unguardedly to a foreign Minister about personalities in his own country. Perhaps he was following the dictates of his own feelings, in that, with his Nordic blood—of which, indeed, he spoke—he felt that a German was closer to him and more easily understood than the Greeks around him. But in this strange country, where the improbable so often occurs, it is also possible that the King, in spite of his inexperience and foreignness, in spite of the mistakes he has made, in spite of the fact that he appears to lack that consciousness of the meaning of power—a consciousness which Venizelos possesses to so high a degree and which Kondylis also has—it may be that this King will assert himself and bring true internal peace to this torn and weary country.

When I returned home from the audience, I learnt that Count Theotokis had come back from Corfu. I made him aware of my suspicion that the French Minister had attempted to influence the King against ordering German war material. Theotokis informed me today that on receipt of my information he had immediately got in touch with the Minister President and Foreign Minister Demertzis, and had discussed the question fully with them. Demertzis had thereupon told him that, in his view, these orders must be placed in Germany.

According to reports in today's press, no decisions were reached in the Defence Council, but the King, in the presence of the Finance Minister, was informed by the Ministers for War, Navy and Air and the Chiefs of Staff of the wishes of the three Services regarding the war material to be ordered.

EISENLOHR

No. 460

3598/797554-57

*Minutes of the Conference of Ministers held at the Reich Chancellery
on Friday, December 13, 1935, at 4:15 p.m.¹*

Rk. 10852.

10853.

Present:

| | |
|---|----------------------------|
| The Führer and Chancellor | Adolf Hitler |
| The Führer's Deputy | Reich Minister Hess |
| The Foreign Minister | Freiherr von Neurath |
| The Reich and Prussian Minister of the Interior | Dr. Frick |
| The Reich War Minister and Com- mander in Chief of the Wehrmacht | v. Blomberg |
| The Reich Finance Minister | Count Schwerin von Krosigk |
| The acting Reich and Prussian Minister of Economics | Dr. Schacht |
| The Reich and Prussian Minister of Labour | Seldte |
| The Reich Minister of Justice | Dr. Gürtner |
| The Reich Minister of Posts and Communications | Freiherr von Eltz-Rübenach |
| The Reich and Prussian Minister of Food and Agriculture | Darré |
| The Reich Minister for Public Enlightenment and Propaganda | Dr. Goebbels |
| The Reich Air Minister and Prussian Minister President | Göring |
| The Reich and Prussian Minister of Education | Rust |
| The Reich and Prussian Minister for Ecclesiastical Affairs | Kerrl |
| Reich Minister without Portfolio | Dr. Frank |
| The Prussian Finance Minister | Dr. Popitz |
| State Secretary and Head of the Reich Chancellery | Dr. Lammers |
| State Secretary and Head of the Presidential Chancellery | Dr. Meissner |
| The [Reich] Press Chief | State Secretary Funk |
| Recording Official | Ministerialrat Dr. Thomsen |

¹ This short Conference of Ministers [*Ministerbesprechung*] was followed by a Cabinet Session [*Sitzung des Reichsministeriums*], with additional persons present, at 4:30 p.m. (3598/797558-67).

Also: State Secretary Pfundtner (Reich and Prussian Ministry of the Interior), State Secretary Reinhardt (Reich Finance Ministry), State Secretary Körner (Prussian Ministry of State).

From the Reich Chancellery: Ministerialräte Wienstein, Dr. Willuhn; Regierungsräte Dr. Laue, Dr. Nordmann.

Subject: The political situation.

The Führer and Chancellor gave a detailed account of the visit of the British Ambassador, who had come to him in order to resume, on his Government's instructions, the conversation on the limitation of armaments.² The British Government continued to desire to give substance to our suggestion about the conclusion of an Air Pact³ between Germany, Britain and France, in order to prepare thereby a more general agreement on the limitation of armaments, which would have as its aim the prevention of the unbounded increase of armaments by creating an atmosphere of calm and of mutual confidence. He, the Führer and Chancellor, had replied that he was prepared, as hitherto, to negotiate with France and Britain, but that he was of the opinion that agreements on the limitation of armaments between these three parties were of problematical worth as long as Russia decided for herself the extent of her armaments. On the other hand, however, it was inconceivable that Russia should be included in any Western European treaty system on limitation of armaments in which Germany played a leading part.

To the Ambassador's question whether negotiations on disarmament questions were possible at all in view of the German attitude towards Russia, the Führer and Chancellor replied that such negotiations, which would deal with the determination of the limits of armaments according to the needs of the parties to the negotiations, could definitely take place. It would then probably emerge that it might be in the interests of Britain as well as of France to consent to the abrogation of the provisions concerning the demilitarized zone.

For the minutes:

THOMSEN⁴

² This interview took place on Dec. 18. For the instructions to Sir E. Phipps and for Phipps' account of the interview see British White Paper, Cmd. 5143 of 1936, Nos. 45 and 46.

³ See document No. 106.

⁴ For Neurath's account of this interview, in which he took part, see document No. 462.

No. 461

8024/E577665-69

The Ambassador in France to the Foreign Ministry

Telegram

No. 1218 of December 14

PARIS, December 14, 1935.

Received December 15—9:15 a.m.

III O 6347.

With reference to the telephone conversation with Ministerial-direktor Dieckhoff on December 13.¹

I give below the impressions which a very influential member of the Cabinet here, with whom I spent yesterday evening, has of the present situation. Since the said personage expressly asked me not to make any official use of this information, I must refrain from mentioning his name.

1) The Anglo-French proposal, he said, had confronted the League of Nations with a question which would decide its fate. To accept the proposal would very probably mean its end. The British had already realized the danger and would therefore merely put forward the view in Geneva that these were not serious proposals but only non-binding suggestions for ending the conflict. The British Government had underestimated the effect of their election propaganda, when the concept of the League of Nations and of collectivity had been drummed into the masses of the voters, and had believed that after the elections they would be able to continue the familiar utility policy. His own observations had convinced him that a large part of British public opinion had conceived a sort of religious enthusiasm for the concept of the League of Nations and that this was now hampering the Government very considerably. There was, moreover, a report that a number of influential Conservative Members of Parliament intended to oppose Hoare's policy.

2) He said that, when judging Hoare's "evolution" during the Paris negotiations, it must not be forgotten that Hoare personally had no great opinion of the League as a political instrument. This attitude had been made use of by Laval to keep intact his old plan of not, in any circumstances, leaving Italy in the lurch. Moreover, one could hardly go wrong in assuming that developments in Egypt, and in Asia too, and not least the familiar events concerning the British Navy, had played a major part in Hoare's decision to make sacrifices for the sake of bringing the Italo-Abyssinian conflict to an end.

3) It could be taken for granted that the Little Entente, and indeed the Balkan States generally, Turkey included, would reject the Anglo-French mediation proposals, and would do so under

¹ No record of this telephone conversation has been found.

Russia's influence. One would in any case do well to watch Russian foreign policy closely in the near future, for it was undoubtedly directed towards taking over the leadership of the Central European and Balkan countries. The possibility that the Little Entente might, in consequence of Laval's present policy, move away from France and turn increasingly towards Russia, undoubtedly existed.

4) According to information given to him by a member of the Cabinet with whom he was on friendly terms, the King of the Belgians had intervened with the British Crown,² at the desire of the King of Italy, who was anxious about his throne. One often heard the opinion expressed that Mussolini's weakening, or his fall, would mean the strengthening of the monarchy in Italy. This view was surely incorrect. Mussolini's fall might very well cause a complete revolution in Italy and the King of Italy would be in great danger of being dragged into it. Whether, and to what extent, the King of England had influenced the Cabinet in consequence of the intervention by the King of the Belgians, it would be difficult to say. He did not believe that the British Crown was inclined decisively to influence foreign policy for reasons of that kind.

5) Laval's position at home had undoubtedly been weakened by recent events. Experience had shown, however, that it was preferred not to overthrow a French Foreign Minister because of foreign policy. A domestic issue was, if possible, used for this purpose. It was to be expected that the debate on the French Leagues would become considerably more acrimonious. Whether Laval would succeed in keeping off the rocks was doubtful, in spite of his dexterity.

6) It was going to be interesting to match a contrary trend developing in French public opinion as to the value of collective security, and thus the value of the League of Nations. In contrast to Britain, French left-wing groups, which had hitherto taken as their slogan the strengthening of the League and the concept of collectivity, had undergone a noticeable change. Here at least fear lest the collective system should involve France in international entanglements was gaining ground. The French people were opposed, under all circumstances, to military action beyond their frontiers, and were above all demanding peace and to be left out of international disputes. (According to this it seems justifiable to me to doubt the likelihood of effective support of Britain by France in the event of a clash with the Italians in the Mediterranean.) Material interests too contributed to this attitude, particularly the increasing disquiet in the southern French provinces about the effect of sanctions on the French economy (which was making itself increasingly and painfully felt) and about the recession of business in general owing to the threat of war.

It became clear from the conversation that it was not in the first

² See also document No. 481.

place fear of Germany which had led to the Paris agreement. On the other hand, there can scarcely be any doubt either that Laval has successfully made use of the so-called German threat to induce his British colleagues to change course and align themselves with him.³

KÖSTER

³ The document here printed was circulated to Missions and Government Departments under a covering letter of Dec. 16 (M258/M010976). A marginal note on the copy in the files of the Reich Chancellery (8071/E579362-67) reads: "Has already been submitted to the Führer and Chancellor as well as to the State Secretary [i.e., Lammers]. To be filed. Th[omsen], Dec. 18."

No. 462

1368/356838-42

Memorandum by the Foreign Minister

BERLIN, December 14, 1935.

RM 970.

The British Ambassador was received by the Führer and Chancellor yesterday at his own request.¹ He gave as the reason for his visit that he had been instructed by his Government to ascertain our attitude to the proposals contained in the London Protocol of February last.² His Government continued to support these proposals, and though they knew of the statements recently made by the Führer to the French Ambassador,³ they would nevertheless like to learn from us direct whether we were willing to agree to an Air Pact and a general limitation of armaments *even if individual parties to the proposed conventions were to conclude or had concluded separate treaties amongst themselves*. Earlier, after Stresa, we had made a statement⁴ to the effect that mutual assistance treaties between individual treaty signatories would not prevent us from concluding collective treaties.

The Reich Chancellor replied as follows: It was true that we had not given a negative answer when we were asked whether we would take part in collective treaties whose signatories had also concluded special assistance agreements amongst themselves. We had at that time been told that these treaties of assistance would merely be an extension of the Locarno Treaty. In the meanwhile, however, there had been signed the Russo-French Treaty, which was nothing less than a treaty of military alliance unmistakably directed against Germany. This treaty had completely changed the situation, and though we were still willing to discuss collective agreements, we would in no circumstances allow ourselves to be brought into a

¹ See also document No. 460.

² The Joint Anglo-French Declaration of Feb. 3, 1935; see document No. 46, footnote 3.

³ See document No. 425.

⁴ Document No. 29.

collective system of which the Franco-Russian Treaty formed a part.

Upon being asked what bilateral agreements the British Government had in mind in connection with the conclusion of the Air Pact, the Ambassador said that the British Government were thinking chiefly that they would have to conclude certain agreements with France and Belgium concerning the construction and use of airfields in those countries. The British Air Force was based at too great a distance to be able, if necessary, to intervene in the event of Britain having to fulfil her obligation to render assistance against Germany. To this the Führer replied that the British Government, therefore, took it for granted that Germany alone was likely to be the aggressor. He had, however, repeatedly declared in public that we would raise no more territorial claims whatever in the West.⁵ It was, moreover, clear from his whole attitude that he not only had no hostile feelings towards England but, on the contrary, desired close collaboration with the British Empire. He could not see, therefore, why the British Air Force needed bases in France and Belgium. Was there, perhaps, also question of constructing bases in Germany, in case France should be the aggressor? The Ambassador replied that that was not necessary, since, in the event of an attack by France, with the resultant obligation upon Britain to come to Germany's aid, the British Air Force could operate from Britain.

The Führer then reverted to the Russo-French Assistance Pact and stated that by the conclusion of this Treaty and by its terms the Locarno Treaty had in fact already been violated. The Locarno Treaty had had clear principles and a clear aim. By the attempt to include Russia, the Treaty would take on a completely different complexion and an element of uncertainty as to the obligations to be assumed would be introduced. He must, moreover, also point out the following: If, by means of treaties of alliance, Russia was now to be drawn into the European system, then we, the country after Poland most directly affected, would have to take this fact into account when determining the army strength required for our defence. Though we were certainly willing to conclude air agreements with the Western European Powers and to agree thereby to a reduction in air armaments, this would be possible only as long as none of these Powers, by making separate agreements, brought the Russian military factor into the combination. Where the further development of European solidarity was concerned, it would be a grave mistake, so the Führer explained, to introduce the Russian colossus into European combinations.

When the Ambassador interjected that it would, after all, be better gradually to reduce the Russian danger by drawing the Soviet Union

⁵ See also document No. 471.

into the European community than to exclude her from Europe by forming a general front, the Chancellor said that that seemed to him like having plague germs shut up in a cupboard and then believing that one could make them less dangerous by opening the door and letting the germs loose on mankind. He, at any rate, was not prepared to run this risk. The Führer then gave further examples to show what would be the effect of separate treaties concluded by States joined together in an Air Pact with Russia participating, and pointed out that, for instance, Germany could not remain neutral in the event of a Russian attack on Poland. On the contrary, we should in that case be actively on Poland's side. But the consequence of the Russo-French Assistance Pact would then be that France would have to take the field against us and, in the event of a special air agreement between France and Britain, Britain, too, would find herself siding with Russia and France against Germany. He had no aggressive intentions whatsoever where Russia was concerned. We no longer had any common frontier with Russia and he was not going in for any Argonauts' expeditions. The British were always trying to make light of the Russian threat to Germany. But he would recall the treaties concluded between Russia and Czechoslovakia with the obligations they contained on Czechoslovakia to create airfields and means of supply for the huge Russian air force. As a result, Russia and her aircraft were in effect no more than four flying hours from Berlin. We must, and we should, prepare against the resulting danger.

In conclusion, the Chancellor stressed once again that even now he was still prepared to conclude an air agreement with England and France, or with the Locarno Powers in general. As for the limitation of land armaments, his view was well known, namely, that the only practical possibility he saw was the limitation or abolition of individual types of weapons.

I then pointed out to the Ambassador that if the British air bases were transferred to France and Belgium and situated near our frontiers, we should in turn be compelled, lest we be exposed, without defence, to the possibility of our industrial areas being destroyed, to move up our anti-aircraft positions to the Franco-Belgian frontier instead of keeping them, as at present, behind the fifty-km. zone. This would then mean the abandonment of the demilitarized zone, and I requested him to make this clear to his Government.⁶

FRHR. V. NEURATH

⁶ On Dec. 16, German diplomatic Missions abroad and the Consulate at Geneva were given a brief account of this conversation by circular telegram (7846/E569361-63). In cipher letter II R 2367 Ang. II of Dec. 17 (7846/E569364-68), the Embassies in London, Paris, Rome, Moscow and Warsaw were given fuller details.

No. 463

2784/540457

Memorandum by the State Secretary

BERLIN, December 14, 1935.

The Italian Ambassador called on me today and asked me for my personal opinion on the latest development in the Abyssinian conflict. I replied with a shortened version of our instructions to the German press.¹

In the course of the conversation I gave the Italian Ambassador a very brief account of yesterday's conversation between the Führer and Chancellor and the British Ambassador.² Attolico was enthusiastic about the resoluteness and clarity of the Führer's attitude.

BÜLOW

¹ These instructions have not been found.

² See document No. 462.

No. 464

2784/540458

Memorandum by the State Secretary

TOP SECRET

BERLIN, December 14, 1935.

During his visit today the Italian Ambassador referred to the first conversation I had had with him after he had taken up his post,¹ when we had discussed the question of whether the Russo-French Pact was compatible with the Locarno Treaty or not. He asked me, for his information and study, for any available written expositions of the German attitude to this question. I promised to make available to him our relevant memorandum to the Locarno Powers² and possibly an article on the subject from the *Deutsche Diplomatische Korrespondenz*, should one have appeared.

In explanation of this request the Ambassador told me in strict confidence that the Italian Government had for a time seriously considered denouncing the Locarno Treaty. The reason for this had, for one thing, been the desire to punish Belgium for her attitude in the sanctions question. Belgium's attitude had especially displeased Italy in view of the family connections between the two Royal houses. In addition to this he also knew that Mussolini had even spoken about this possibility to the French Ambassador.³ Attolico assumed that the pressure which had thus been exercised on France had had no small influence on the attitude of the French Government.

BÜLOW

¹ See document No. 265.

² Document No. 106, enclosure.

³ Louis-Charles Comte de Chambrun.

No. 465

8024/E577670-75

The Ambassador in Great Britain to the Foreign Ministry

Airgram

STRICTLY CONFIDENTIAL

No. 242 of December 16

LONDON, December 16, 1935.

Received December 17—1:00 p.m.

III O 6403.

With reference to my telegram No. 239.¹

The difficult situation in which the British Government find themselves as a result of the Hoare-Laval proposal for a solution, and to which I have already drawn attention in my preceding telegram, has meanwhile assumed extremely grave proportions.

The left-wing press is engaging in almost delirious attacks on the "incomprehensible change of front" by the Government, which is described as a fraud on the British electorate and a stain on British honour. Newspapers of all shades of opinion are, moreover, publishing numerous readers' letters condemning the Government's action. Even *The Times*, after some hesitation, has joined the camp of the critics, whilst other Conservative organs, such as the *Daily Telegraph*, are seeking to explain or to excuse the Government's action, though with chilly aloofness.

It would be wrong to interpret the outcry raised by the Opposition, and the profound displeasure in the Government camp, to mean that the Anglo-French attempt at an understanding was being rejected *as a matter of principle* by the entire British people. On the contrary, such an attempt, as I showed in my previous telegram, in itself fully accorded with the British policy which had been approved by a vast majority in Parliament and among the people.

What is arousing the indignation of the widest circles, however, is the *form taken in practice* by the proposed solution, together with the circumstance that this proposal was not first submitted to the League of Nations for a statement of views, but was instead sent first to Rome and Addis Ababa,² and that strong pressure was at once exerted upon the Negus to induce him to accept the proposal. People consider that the British and French Governments have to a serious degree exceeded the mandate of taking soundings given them by the Committee of Eighteen and have consequently committed an act of disloyalty to the League. Next Thursday, December 19, the Government will have to justify themselves to the Commons in a difficult debate.

¹ Document No. 458.

² See British White Paper, Cmd. 5044 of 1935, Nos. 5, 6 and 7.

I spent the week-end in company with several politicians, among them Sir Austen Chamberlain, at the house of the well-known proprietor of the *Daily Telegraph* and the *Sunday Times*, Sir Gomer Berry, and was afforded the opportunity, especially in a conversation with Chamberlain which lasted more than two hours, of informing myself in detail on the situation. On the previous day Sir Austen, as one of a deputation from the British League of Nations Union³ which included, amongst others, Lord Cecil, Lord Allen of Hurtwood and Professor Gilbert Murray, had had an interview lasting an hour and a half with Baldwin, during which there was handed over a resolution by the League of Nations Union expressing profound displeasure at the Government's action. Sir Austen told me that Baldwin had spoken with complete frankness but had insisted that the delegation should repeat nothing he said, so that he could not tell me details. I was, however, able to infer from our lengthy conversation that my account of the situation, as given in section II of my telegram No. 239,¹ was completely correct, with the one exception that Sir Austen did not confirm my assumption that there had been a previous agreement between Laval and Mussolini. He did not, on the other hand, dispute that Laval had opposed the oil embargo, had stressed the danger of an Italian attack on the British fleet, and had described the question of French support in this event as extremely precarious. Another personage added that Laval's standpoint was that the French fleet would not be on a wartime footing until it had been formally mobilized, and that such mobilization was not feasible in view of the attitude of French public opinion. But my fellow guests were agreed that the object of partially informing the French press, as had been done on Sunday evening⁴ in Paris, had been the treacherous one of tying the British Cabinet's hands and making it impossible for them to reject the plan unless they were willing formally to disavow their Foreign Secretary.

Sir Austen Chamberlain (who, as is known, disputed, in his speech of December 5,⁵ the necessity of considering Abyssinia, but, on the other hand, laid all the more stress on the League of Nations as the decisive element) added that he was extremely depressed by the turn events had taken. Everything would depend on how Sir Samuel Hoare and Baldwin explained and justified the Government's decisions in Thursday's debate. He had advised Baldwin to be ruthlessly frank, for this alone could clear the air. He himself would make a critical speech and did not yet know whether in the end he would vote for or against the Government or whether he would abstain. He

³ A private non-party organization active in promoting interest in the work of the League of Nations.

⁴ i.e., on Dec. 8; see also document No. 457, footnote 1.

⁵ In the House of Commons; for the text see *Parl. Deb., H. of C.*, vol. 307, cols. 351-353.

spoke again and again of a "grave blunder"⁶ and thought that the fact that Sir Samuel Hoare had finally allowed himself to be persuaded by Laval could only be attributed to his bad health.

With regard to further developments, Chamberlain expressed the view that the plan for a solution was dead, and that sanctions would be enforced, except that, however, the oil embargo would have to be postponed. Upon my asking whether, where sanctions were concerned, the right atmosphere had not been completely dispelled, Sir Austen said that it might certainly prove necessary fundamentally to clarify the whole of the problem of sanctions, and in so doing to stress the justified British view that the burden of sanctions should be borne in truly collective fashion and that the dangers must not be allowed to weigh on Britain's shoulders alone. It was clear that what Sir Austen meant was a definitive discussion with France as to her true attitude to the sanctions problem. He ended by remarking that, should such an attempt at clarification not lead to any satisfactory result, Britain might after all have to ask herself whether she should not fundamentally reshape her policy *vis-à-vis* the Continent, i.e., move away from the League of Nations. The thesis of the isolationist politicians, as embodied in the Beaverbrook press, would then receive a powerful impetus, and it was conceivable that ultimately even Britain's obligations under the Locarno Treaty might be involved.

During the discussions there was also frequent mention of the question of whether Sir Samuel Hoare, who after such high praise, had so suddenly fallen into such complete discredit, would not have to resign his office in order to preserve the Government's prestige.

In this connection it must be emphasized that, according to precise information given me, there is no longer any unanimity in the Cabinet as to the policy to be pursued in the Abyssinian conflict. I know, for example, that the First Lord of the Admiralty, Lord Monsell, and, indeed, the Commander in Chief of the British Fleet, Sir Ernle Chatfield, have no liking for the sanctions policy whatever. The latter has frequently told me that the political leaders, who must naturally be obeyed, were exposing the British fleet to the possibility of being involved in hostilities, which, in the present circumstances, were not at all an attractive prospect. Lord Monsell expressed himself even more plainly; he described the entire sanctions policy as an enterprise which was committing Great Britain's political and naval strength in a sphere which was of secondary importance for British interests, and withdrawing it from much more important questions, more especially the problem of Eastern Asia. Furthermore, as I learn from another source, the British fleet, which is stationed in the Mediterranean and which is kept permanently in a state of alert, is

⁶ In English in the original.

operating under extremely unfavourable technical conditions (lack of suitable harbours, crowding together in tactically unfavourable positions), and that the crews themselves are unwillingly putting up with being in a state of alert while remaining inactive, which is why manœuvres by individual ships in the Atlantic Ocean have recently been introduced. That Sir Samuel Hoare and the Foreign Office, in the person of Sir Robert Vansittart, have long since had enough of the sanctions policy and are striving for a solution which will permit of a return to normal relations with Italy and the resumption of serious negotiations with Germany is known to you from my reports. Baldwin, although hampered by having to consider the reputation he has gained by his proverbial reliability, may well be of the same mind. On the other hand, however, a considerable number of Ministers, and especially Eden, who has so often had to stand in the line of fire at Geneva, doubtless take the view that the principles of British policy which have been proclaimed to the country must be honestly upheld.

Nevertheless, it need not be assumed at present that the existence of the Government in its present form is endangered. This might, however, be the case if, as a result of Thursday's debate, leading supporters of the Government, such as Sir Austen Chamberlain himself, should be induced to vote against the Government. Thus the impending debate has, in any case, a significance such as has not for a long time attached to any debate in the British House of Commons.

HOESCH

No. 466

6691/H098620

The Consul General at Shanghai to the Foreign Ministry

Telegram

No. 79 of December 16 SHANGHAI, December 16, 1935—4:51 p.m.

Received December 16—11:55 a.m.

IV Chi. 2318.

With reference to your telegram No. 7¹ from Dieckhoff to the Consulate at Hongkong.

For Ribbentrop.

The following has emerged from a conversation with Wang Ching-wei's confidant: A communication to Chiang Kai-shek is not advisable, as the matter would then go to the new Foreign Minister, Chang Chun, and thus through diplomatic channels.

Wang Ching-wei will probably need another month to recover and a month for convalescence. He cannot be seen before then. After

¹ Document No. 451.

these two months I shall receive the proposals as to how the mediation is envisaged. The desired time will thus have been gained. Secrecy has been ensured.²

KRIEBEL

² Marginal note: "As Attaché Kempe reports that he passed this telegram on to the Bureau Ribbentrop yesterday, it should be filed. K[ü]h[lbor]n. Dec. 17, 1935."

No. 467

8219/E584019-21

The Ambassador in France to the Foreign Ministry

Telegram

No. 1223 of December 18

PARIS, December 18, 1935.

Received December 18—10:00 p.m.

II Fr. 4380.

With reference to your telegram No. 488 of [Dec.] 3.¹

During a conversation, Laval reverted only superficially to his previous suggestions and then only in so far as they concerned the Air Pact and disarmament. The Minister President was obviously too much preoccupied with urgent problems. The "diplomatic document" which he had previously desired was not mentioned at all, nor was the hope that we should issue a declaration of non-aggression in respect of Russia. I reminded the Minister President of my repeated and insistent warnings against taking over the unedifying heritage of Barthou's Russian policy and, above all, also of my constant warning, at the time of the French negotiations with the Russians, that any resultant Franco-Russian treaty would prove to be the greatest obstacle in the way of his policy of Franco-German understanding. We must definitely regard the Treaty as a military instrument directed against ourselves and it would be pointless to try and prove the contrary. I also reminded him of our conversation, reported in telegram No. 1161 of November 18,² in which, in spite of my counter-arguments, he attempted to convince me of the expediency of making the familiar German declaration on the Russian Pact. The interview with the Führer and Chancellor,³ I said, would now have removed all doubts as to the German attitude to the Franco-Russian problem.

Laval replied that neither he nor the French Ministry had wished to give the Franco-Russian Pact an anti-German slant. I knew as well as he that during the negotiations the Russians had constantly tried to turn it into an instrument directed against us and that they

¹ Document No. 440.

² Document No. 415.

³ See document No. 425.

still wished, in spite of the security clauses inserted by France, to give the Pact an anti-German character. But Russia had not succeeded in doing so during the negotiations, nor would she succeed now or in the future. The Pact would be ratified. He, Laval, would not, however, allow himself to be dragged into the adventurous policy which Russia desired, and he knew that the French people, too, rejected any such idea. I, too, must have observed, during the many years I had spent in France, that French public opinion was increasingly coming to realize that the French army should only be used in defence of French soil, and in no circumstances beyond France's own frontiers. This remark tallies with my own observations (see my numerous reports). Just because, the Minister continued, he refused to interpret the Treaty in the Russian sense, he was being subjected to the most violent attacks by the radical elements.

As for the negotiations on the Air Pact and on disarmament, proposed by him, he had gained the impression from the conversation between the Führer and Chancellor and François-Poncet that the time was not yet ripe and that we must first await the end of the Italo-Abyssinian conflict. He did, of course, not know whether he would still be Head of Government in the near future. This did not, however, in any way alter his attitude to the German-French problem.

At the end of the conversation I stressed, in accordance with your telegram under reference above, the German Government's fundamentally positive attitude to all questions relating to cooperation between Germany and the Great Powers, and handed the Minister President the French translation of the Führer and Chancellor's speech of May 21,⁴ drawing his attention particularly to point 4 of the concluding statements, in which the Führer and Chancellor, I said, had primarily had in mind cooperation in a spirit of mutual trust between the leading Great Powers.

I did not gain the impression from this conversation that the Minister President believes that our attitude to the French suggestions will be purely negative.

KÖSTER

⁴ See Editors' Note, p. 171.

No. 468

3015/598375-76

Memorandum by the Foreign Minister

BERLIN, December 18, 1935.

RM 984.

I had a conversation yesterday with Minister President Göring about the situation in Danzig and I particularly drew his attention to

the fact that the decisions taken by us at an earlier date¹ had not been put into effect.² In this connection Herr Göring told me that he had recently written a very energetic letter to President of the Senate Greiser and had informed him that the finance expert intended for Danzig, von Tapolski, must take up his post there whatever happened. The former Danzig Senator for Finance³ would for the time being be employed in the Party and in other spheres.

With regard to the possibility that Gauleiter Forster might also be entrusted with the office of Oberpräsident of East Prussia, I told Herr Göring that in my opinion this would mean an intolerable strain on German-Polish relations. After the speeches by President of the Senate Greiser in the Senate and after several statements by Forster, which had come to my ears, and of which the Poles had undoubtedly also learned, Forster's retention as Gauleiter in Danzig, should he be appointed Oberpräsident in Königsberg, would certainly be regarded by the Poles as a first step towards raising the whole Danzig issue. But to my mind the time for this had not yet arrived. German-Polish relations were not yet sufficiently well established to justify our risking such a strain on them.

Finally Herr Göring assured me that, in the event of the position of Oberpräsident of East Prussia being entrusted to Forster, the latter would only continue to deal with affairs in Danzig temporarily, until a suitable successor had been appointed. I replied that I agreed with this solution, provided the interim period did not last too long.

v. N[EURATH]

¹ See document No. 358.

² See document No. 443.

³ Dr. J. Hoppenrath.

No. 469

8015/E576291-93

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 247 of December 19

ROME, December 19, 1935—8:15 p.m.

Received December 19—10:15 p.m.

III O 6470.

In my conversation with him today, Suvich seemed very much impressed by Hoare's resignation.¹ What he said confirmed that the Palazzo Chigi had regarded the Laval-Hoare offer as being, at bottom, a not unfavourable basis for negotiations and a possible way out of a most difficult situation. Suvich remarked that it was incom-

¹ Sir Samuel Hoare's resignation was announced on Dec. 18; see *The Times* of Dec. 19, 1935.

prehensible to him that the British Government had not foreseen the . . . (group mutilated)² reaction to the offer, since the proposal, after all, would have deprived the Negus of two-fifths of his territory. I asked whether the Italian Government had already adopted any attitude or had put questions to London and Paris. Suvich replied that as yet no attitude had been adopted by the Italians—nor, for that matter, by the Negus—and that enquiries had merely been made in conversation about a few imprecisely worded points, concerning the economic zone in particular. London and Paris had proved ready to discuss these questions but had emphasized that further proposals for procedure were from now on exclusively a matter for the League of Nations. The Grand Fascist Council had yesterday deliberated about the Italian attitude to the proposals, but the discussions had been broken off following the news of Hoare's resignation. Naturally all Italy's enemies were now, for reasons it was easy to see through, describing the resignation as the effect of Mussolini's speech in Pontinia.³ I interposed that Mussolini had, after all, spoken very sharply, and drew attention to the sentence about not sending out an Italian delegate [*sic*]⁴ without the protection of the Italian flag, which was surely an obvious animadversion upon the proposals for participation in [*sic*: concerning] the economic zone. Suvich replied that Mussolini's speeches on such occasions were intended for internal consumption and were often misinterpreted. This sentence did not bear the meaning I had assigned to it either: he had not demanded Italian sovereignty, but only to be enabled to protect Italian settlers etc. by means of police or troops. Moreover, he regarded the proposals as finished with. Hoare's resignation was tantamount to a victory for Eden, who increasingly cast himself in the rôle of the younger Pitt *vis-à-vis* Napoleon. The League of Nations would probably adopt a negative attitude towards the proposals: this was a direction in which Russia, too, was being particularly active. Failure to agree on Italy's part would naturally, and wrongly, be adduced as the reason for the breakdown. British policy would now doubtless revert completely to the League of Nations line. When I objected that, to judge by Baldwin's well known remarks, it was equally conceivable that Britain would dissociate herself on the grounds that the League machinery had failed, he said that this was perhaps not in itself impossible but that it was not very likely at present. Sanctions would continue, although their effect was highly problematical; it was hardly to be expected that they would be really effectively intensified and extended. Nor, on the other hand, could he see any prospects of negotiations. The threat to Laval had naturally continued to increase.

² The Rome draft (M272/M011403-06) here reads: "... the violent reaction ..."

³ On Dec. 18; an extract from this speech is printed in *Documents on International Affairs, 1935*, Pt. II, p. 371.

⁴ The Rome draft here reads: "sending out Italians".

Mussolini himself, who, as already reported,⁵ has from the start confidently been expecting the proposals to fail without any action on Italy's part, seems to be displaying an intransigent attitude. The French Ambassador, who was with him yesterday, has told French press representatives that he had gained a very bad impression.

The general impression is that an official statement of views is being withheld here owing to complete uncertainty about further developments, and that there are probably no plans for further moves either, except that the military action in Abyssinia will be continued.

HASSELL

⁵ In telegram No. 241 of Dec. 14 (8024/E577662) Hassell, reporting on the statements made to foreign correspondents by the head of the Italian press department, added: "Apparently Mussolini will treat the matter in a dilatory way in order to wait and see whether the mediatory action will fail owing to British opposition, or to resistance within the League of Nations, or owing to the Negus."

No. 470

2945/576026-27

Memorandum by the Foreign Minister

BERLIN, December 19, 1935.

RM 990.

The Reich Chancellor received the Polish Ambassador yesterday in my presence, in order, as he said, to thank him personally before the close of the year for his loyal cooperation in the amicable development of German-Polish relations. At the same time he wished to inform him about the talks held recently with the French and the British Ambassadors.¹ The Reich Chancellor then repeated in broad outline the conversations (recorded elsewhere) with François-Poncet and Sir Eric Phipps, but did not refer to the remark made during the conversation with the latter about Germany being forced to assist Poland in the event of a Russian attack.

The Polish Ambassador declared that Poland's foreign policy had in no wise altered since the death of Marshal Pilsudski.² All leading personalities in Poland were sworn to carry out the late Marshal's programme. Changes in personnel, such as had taken place in consequence of the recent reconstruction of the Government,³ could alter the emphasis but not the principles which had been laid down. The Ambassador especially stressed that the Polish-French agreements⁴ were not in any way affected by the Franco-Russian Pact,⁵ but were,

¹ See document No. 425, and documents Nos. 460 and 462.

² On May 12, 1935.

³ A new Cabinet under the previous Minister of the Interior, Marjan Zyndram-Kościałkowski, had been formed on Oct. 13; see *The Times* of Oct. 14, 1935.

⁴ For a *résumé* of the Polish-French agreements see Gamelin: *Servir* (Paris, 1946), pp. 466-467.

⁵ See document No. 70, footnote 1.

on the contrary, completely independent of it. The Ambassador affirmed the growing improvement in relations between Poland and Germany, which had been fostered particularly by the fact that the leading personalities on both sides were gradually getting to know one another. He then made some explanatory remarks about Poland's attitude to the conflict between Italy and Abyssinia, and to the sanctions question, but without saying anything new.

Finally the Ambassador also spoke of the Corridor payments.⁶ The Reich Chancellor promised that he would attend to the matter, but he stressed that in the present state of affairs it was impossible to transfer the sum owing. On the contrary, a way would have to be found of settling the debt by a compensation procedure and of coming to an arrangement for the future. He would speak to Herr Schacht in this sense.⁷

V. N[EURATH]

⁶ See also documents Nos. 409, 436 and 435.

⁷ See also document No. 474, enclosure.

[EDITORS' NOTE: Negotiations on German-Italian economic and payments matters took place at Munich in December 1935 between delegations led by Ministerialdirektor Sarnow of the Reich Ministry of Economics and Consul General Pittalis. No documents on the actual negotiations have been found; they led to the signature on December 20 of a supplementary agreement (M261/M011065-78) to the German-Italian Trade Agreement of April 16, 1935 (see document No. 67, footnote 2) and of other agreements and exchanges of Notes on specific points relating to commercial policy, clearing and transfers, the texts of which have been filmed as 9630/E679161-201 and M261/M011079-129. The text of the German Note (M261/M011086) concerning the application of export embargos reads as follows:

"MR. PRESIDENT: With reference to our negotiations, I have the honour to confirm to you that the export embargos already in force in Germany, as also such embargos as may in future be decreed, are not intended to bring about a complete stoppage of exports of the raw materials and other products concerned. By the introduction of an export permit procedure for certain commodities it is, on the contrary, intended to enable the competent German offices to ascertain, before granting the export permit, whether Germany's internal economic supply position allows of the export being effected or no.

"In any case exports from Germany to Italy in the quantity laid down by the agreements at present in force will not be impeded by the export permit procedure. If it should appear that the essential interests of any branch of German production are being threatened by

the fact of exports being maintained at this level, then the Government Committees will immediately set to work to find a satisfactory solution.

"I avail, etc.,

SARNOW"]

No. 471

7846/E569370-71

*Foreign Minister Neurath to Ambassadors Hoesch, Köster, Hassell, Schulenburg and Moltke*¹

BERLIN, December 20, 1935.

Sent December 27.²

e.o. II R 2381.

DEAR HOESCH: In despatch II R 2367 [Ang.] II of December 17, 1935,³ by which you were informed about the conversation between the Führer and the British Ambassador at which I was present, there is a passage which may perhaps be misunderstood. In its second paragraph there is quoted a reference by the Führer and Chancellor to his oft-repeated public declarations that "we would raise no more territorial claims whatever in the West". When he said this the Führer was, of course, not thinking of Eupen-Malmédy, for which there can be no question of such recognition of the territorial *status quo*. On the contrary, he had only his familiar statement in mind, namely, that since the settlement of the Saar question there are no more territorial problems to solve between us and France. You should, therefore, read the passage in question in this sense.⁴

Best wishes,

Yours,

NEURATH

¹ Identical letters, *mutatis mutandis*, were sent to all the addressees.

² The letter to Schulenburg was despatched on Dec. 26.

³ See document No. 462, footnote ⁶.

⁴ A copy of the document here printed and of the despatch of Dec. 17 cited therein was transmitted by Bülow to Brussels under cover of a despatch dated Dec. 20 (7846/E569371-72), for strictly confidential information.

No. 472

6025/H047375-78

Memorandum by a Deputy Director of Department II

BERLIN, December 21, 1935.

IV Ru. 5177.

On December 20 the Soviet Counsellor of Embassy, Bessonov, arranged to call on me. He said he wished to inform me of the Embassy's views on the current state of the German-Soviet trade

negotiations.¹ He remarked that they took a definitely optimistic view. The Embassy considered that we were well on the way to an agreement. There was basic agreement regarding the bonded loan credit [*Obligationenkredit*] amounting to 500 million RM to be granted. There was also basic agreement on the compensation transactions planned for 1936. Differences of opinion existed only with regard to the payment of the remainder of the Soviet debt to the Reich, amounting to some 65 million RM. Whilst Herr Schacht was maintaining the view that the total amount should be paid in gold or foreign exchange, M. Kandelaki, on the basis of his consultations in Moscow, was offering gold or foreign exchange only up to 25 million RM. This figure was based on the percentage of payments in gold and foreign exchange for the current year. M. Kandelaki had, as M. Bessonov told me in strict confidence, authority only to make a slight increase on the offer, which meant that, at best, about 40 per cent of the remaining debt would be discharged in gold and foreign exchange. M. Bessonov stated that if we did not accept this offer the matter would have to be referred back to Moscow with the certain prospect of a reply in the negative; at best there would be considerable delay in the conclusion of the agreement—a delay which it was certainly imperative to avoid at all costs in the interests of both sides.

I pointed out to M. Bessonov the difficult foreign exchange situation in which the Reich was placed and said in reply to a hint from him that the Foreign Ministry must leave the decision to Herr Schacht. Furthermore, in concluding comprehensive trade treaties, one must have patience and should not allow oneself to be put out by difficulties cropping up and delays occurring.

After M. Bessonov had discussed two minor special questions, he turned to the Führer and Chancellor's conversation with Sir Eric Phipps;² the Soviet Russian Embassy had already shown Count Schulenburg that they were specially interested in this conversation. M. Bessonov stated that he had learned from a German quarter that the Reich Chancellor had told the British Ambassador that he had no idea of attacking Russia. On the other hand, however, the Soviet Russian Embassy had heard in the Diplomatic Corps here that the Reich Chancellor had flatly rejected the British suggestions and had referred to the Franco-Soviet Military Treaty. M. Bessonov wished more detailed information on our attitude both to this Treaty and to the Eastern Pact. I told him that the Reich Chancellor's statement that he did not wish to attack Russia must surely be of special interest to Soviet Russia and help to reassure the leading Soviet Russian circles as to Germany's intentions. M. Bessonov admitted this, but remarked that if we rejected an Eastern Pact on the grounds that the Franco-

¹ For the history of these negotiations, see document No. 433.

² See document No. 462.

Soviet Military Treaty stood in the way, the situation in Europe would come to a complete deadlock. I drew M. Bessonov's attention to the Führer's statements, which had become publicly known, about Germany's peaceful intentions and his own willingness to contribute in a suitable way to the tranquillization of Europe, but I emphasized that we must basically reject an Eastern Pact and must regard the Soviet-French Military Treaty as being directed against the Reich. That was a fact there was no getting round. The German Government had recently again stated this to M. Laval,³ so there ought to be no illusions as to our attitude either in France or in Russia. To this M. Bessonov replied that some way out of the deadlock must be sought. He for his part put forward the idea of supplementing the Berlin Treaty⁴ by a bilateral non-aggression pact between Germany and Soviet Russia. This was a question which, as far as he knew, had once been spoken of in a private German-Soviet Russian conversation at the beginning of this year.⁵ M. Bessonov stated that our conversation was not official; on the contrary, he considered it to be a purely private one, which had arisen from a certain concern over German-Soviet relations. I told M. Bessonov in reply that I viewed his suggestions in this spirit and that in this difficult question one could only proceed very cautiously. One must also have patience in political questions and I thought that we must first of all focus our attention on the development of commercial relations between our two countries for the year 1936, to the importance of which, in political respects too, M. Bessonov had once previously alluded.⁶

Herewith respectfully submitted to Ministerialdirektor Dieckhoff.

ROEDIGER

³ See documents Nos. 425 and 440.

⁴ See document No. 236, footnote 9.

⁵ No record of such a conversation has been found.

⁶ See document No. 439.

No. 473

6207/E469812-14

Consul General Radowitz to Senior Counsellor Roediger

STRICTLY CONFIDENTIAL

DANZIG, December 21, 1935.

IV Po. 69.

DEAR HERR ROEDIGER: I saw the High Commissioner yesterday on his return from Geneva, and I shall now venture to inform you of the substance of our conversation.

Lester said that he was well satisfied with his reception by the Reich Foreign Minister.¹ He had been able to state his views on

¹ See document No. 454.

conditions in Danzig quite freely and openly and had not made any secret of the seriousness of the situation from the standpoint of Geneva. He had, admittedly, gained the impression that official organs in the Reich had certainly not been behind the Government statement made by President Greiser,² but believed he had noted indications that other important bodies in the Reich had supported the attitude against the League of Nations revealed in the President of the Senate's Government statement.

In Geneva, he had discussed the Danzig situation chiefly with Eden, but also with some other members of the Council. Eden took the matter very seriously and considered that something must be done—as Lester put it—to restore the constitutional position in Danzig. Lester indicated in strict confidence that Eden had told him that he would take no decisive steps in the matter of Danzig without first having consulted with the British Cabinet. This consultation had doubtless meanwhile taken place in London. When I asked what steps the Council of the League of Nations might be expected to take, Lester replied that he could say nothing definite on this, but that Geneva might possibly revert to his suggestion of sending a *commission d'investigation* to Danzig.³ I pointed out to him that this would be a very serious matter and one calculated to cause unrest and annoyance in Danzig. I told him that it should be possible to fortify the concept of the Constitution in Danzig by other means. He must surely realize that under present conditions rigorous measures by the Council of the League of Nations would not achieve the desired end and I urgently requested him to do all he could not to make matters worse. Lester replied that he would endeavour to present his complaints to the Council in a "pliable" way, but that this was the most that could be expected of him.

It is my impression that Lester himself is still gravely annoyed and that he will, after all, do all he can at the next session of the Council in Geneva to ensure the restoration of authority which he considers to have become essential for himself and for the League.

With sincerest Christmas and New Year greetings both to yourself and to your family.

With Heil Hitler, I remain etc.,

RADOWITZ

I have just received your letter of December 18⁴ with which I shall deal as requested.

² See document No. 442, footnote 2.

³ Marginal note in Roediger's handwriting: "This has been in the air for some time!" Roediger initialled the document here printed on Dec. 23.

⁴ Not found.

No. 474

9172/E645247-48

Senior Counsellor Roediger to Ambassador Moltke

BERLIN, December 24, 1935.

DEAR HERR VON MOLTKE: I have just had a copy of the enclosed memorandum submitted to me. Even if you should not be able to do anything with it in its present form, I should nonetheless like you to be aware of it, since the statement by Schacht represents an interesting development after his previous categorical refusal to permit the Corridor debts¹ to be linked with our demands over Upper Silesia.² I shall try to obtain further details after Christmas. I shall of course keep you informed of developments.

With best wishes and Heil Hitler,

Yours, etc.,

ROEDIGER

[Enclosure]

MINUTE

BERLIN, December 24, 1935.

On President Schacht's instructions, State Secretary Posse today informed me of the following:

Herr Schacht had recently spoken to the Führer about the Polish question. Herr von Moltke's somewhat pessimistic report,³ to the effect that the Poles were going over to the offensive on the question of traffic through the Corridor, had also played its part in this. Although the Führer and Herr Schacht did not take such a serious view of these matters, they had nonetheless agreed between themselves that we must now launch our counter attack at once, in the direction of East Upper Silesia (over the treatment of the I.G. Kattowitz⁴ and also to a certain extent of Pless).⁵ On the Führer's instructions, Herr Schacht requested that the Foreign Ministry should now take the necessary steps either through our Embassy in Warsaw or, if it should be considered preferable, through M. Lipski, who also appeared to be becoming active again over the question of Corridor traffic.⁶

BENZLER

¹ See also documents Nos. 409, 436 and 455.

² Ritter recorded statements by Schacht on this subject in the memorandum cited in document No. 409, footnote 4.

³ Evidently a reference to document No. 455.

⁴ For previous documents concerning the *Interessen-Gemeinschaft Kattowitz* see vol. I of this Series, document No. 473, vol. II, *passim*, and vol. III, documents Nos. 401 and 496. Other documents have been filmed on Serials 9091 and 9093.

⁵ See also vol. III of this Series, documents Nos. 496 and 498.

⁶ In despatch IV Po. 476 of Jan. 22 (9172/E645254-55) Bülow instructed Moltke to raise the question of the I.G. Kattowitz with the Polish Government. Moltke reported on Jan. 25 (9172/E645261-64) that he had that day spoken to Szembek accordingly.

No. 475

6024/H045167

Memorandum by the Head of the Press Department

[BERLIN,] December 27, 1935.

[IV Ja. 1677.]¹

To Herr Ministerialdirektor Dieckhoff. Strictly confidential information only.

Tass is releasing the following report, which is alleged to emanate from London: "Further to earlier reports on negotiations between the Japanese military attaché in Berlin on the one hand and Ribbentrop and representatives of the Reichswehr [*sic*] Ministry on the other, about the conclusion of a German-Japanese military convention, it is now learned that the negotiations are coming to a close and that the convention has already been initialled. Another agreement about cooperation against the Comintern is to be signed at the same time as the secret convention. It is intended to deflect attention from the military convention by publishing this agreement."²

ASCHMANN

¹ Taken from the copy cited in footnote 2 below.

² Marginal notes: (i) "[For the] F[oreign] M[inister]. Herr Aschmann has passed this report to Herr v. Ribbentrop asking if a *démenti* may be issued. D[ieckhoff], Dec. 27." (ii) "And the reply? v. N[eurath], Dec. 27." A second copy (6024/H045166) bears the following marginal notes: (i) "Sent to H[err] v. Ribbentrop with an enquiry as to whether a *démenti* is to be issued. A[schmann], Dec. 27." (ii) "To H[err] M[inisterial]d[irektor] Dieckhoff for his information. E[rdmannsdorff], Dec. 30." (iii) "Returned to Herr v. Erdmannsdorff. Discussed with Herr v. Ribbentrop. He does not want a *démenti* at present. D[ieckhoff], Dec. 30."

No. 476

8656/E606079-81

The Minister in Austria to the Foreign Ministry

A 3226

VIENNA, December 28, 1935.

Received December 30.

II Oe. 5.

Subject: The restoration question.

In the report I made orally to the Führer on December 19,¹ I also informed him of further developments in the restoration question. According to reliable information reaching me, the Director of Security for Upper Austria, Count Revertera, Prince Starhemberg's Adjutant, Prince Windisch-Graetz and Count Coreth went to Steen-oekerzeel² on about Dec. 15, in order to convey there a handwritten

¹ No record of this conversation has been found.

² In Belgium. The place of residence of the exiled Austrian Imperial family.

paper signed by Schuschnigg and Starhemberg. The paper stated that it was regretted that the restoration planned for January 1936 must be postponed on account of the general situation. After Prince Starhemberg had asked the Heir to the Throne³ not to doubt the loyalty of his Legitimist sentiments, it was stated that the Austrian Government held political remedies to be useless against National Socialism—this must be countered by the principle of Legitimism, as being the only principle likely to succeed. The Austrian Government were proposing, in the first place, to incorporate the Legitimist movement in the Fatherland Front, in order thus to provide it with a legal basis. At the same time it was intended to win over the National circles by pointing out that a Greater Germany—but under Austrian leadership—must be the goal.

In fact, Prince Starhemberg did, in December, incorporate the Legitimist movement in the Fatherland Front. But I then thought, as I still do, that this whole move by Starhemberg was only made to enable him to obtain decisive influence over the Legitimist movement, to decide upon the tempo and, if need be, to oppose its realization.

After my return from Berlin the Yugoslav Minister came to tell me that he had learned, from a completely reliable source, that the establishment of a regency under Starhemberg was impending. He had thereupon assembled all the representatives of the Little Entente at his house in order to discuss what counter measures should be taken. Unfortunately, he said, it was the case that it was difficult to protest on legal grounds against the introduction of a regency. The three Ministers had telegraphed to their Governments for instructions and had been directed to protest jointly to the Ballplatz⁴ [*sic*] against such a decision. This *démarche* had been made on December 18. Foreign Minister Baron Berger-Waldenegg had shown the greatest surprise and had denied that there was any intention of introducing a regency.

The Yugoslav Minister further wished to be informed of what would be the attitude of my Government to such an event. I therefore request further instructions on what language I should hold.

Today's *Daily Telegraph* reports that the Starhemberg regency will be proclaimed in Vienna on January 19. I assume that this information was given to the British press by the Little Entente.

PAPEN

³ Prince Otto of Habsburg.

⁴ The Ballhausplatz, the Austrian Ministry for Foreign Affairs in Vienna.

No. 477

4620/E200195-201

*Memorandum by the Chargé d'Affaires in Belgium*¹

A 430

BRUSSELS, December 28, 1935.

[II Bel. 112].²

THE DEPRIVALS OF CITIZENSHIP AND GERMAN-BELGIAN RELATIONS

In the final paragraph of my telegram No. 42 of December 16³ I stated that the Belgian Government were in possession of information which showed German concern for an improvement in German-Belgian relations to be of such decisive importance that, by comparison, our concern for the population of Eupen-Malmédy faded into the background. As proof of this it was said, amongst other things, that conversations had been taking place about raising the Missions on both sides to the status of Embassies. I consider it my duty to amplify and explain this report as follows:

I

Generally speaking, the Belgian public has learned of the improvement in German-Belgian relations only through statements made in the German press, which have been copied from time to time by the Belgian press. It has been scarcely possible to find any of the Belgian press adopting an attitude of its own to the question of expanding German-Belgian relations. Belgium's political leaders, too, have taken care to observe the greatest reserve *vis-à-vis* the public in this respect. In speeches by responsible Ministers the subject of Germany has until recently been dealt with mainly from two aspects, namely, that of the German danger and that of trade relations. It must be admitted that leading Belgian personalities, and also representatives of industry, banking and commerce, at times go to great lengths in private conversations to express their satisfaction at the improvement in relations; it must further be admitted that the reserve shown by public opinion, and above all by the press, is due to the existence of a strong anti-German opposition. The fact remains, however, that, although German statements about the improvement in German-Belgian relations and the

¹ Another copy of the document here printed (8456/E595647/1-7) bears the marginal note: "Sent by Herr Bräuer to the St[ate] S[ecretary]. (Dg[Dirigent, i.e., Renthe-Fink]/D[irector] are informed.) To be filed, *sealed*, in the II Belgien] (EM) files. R[intelen], Jan 21." This copy was initialled by Bülow on Jan. 9. The document here printed, which was initialled by Neurath, appears to have been sent to Bülow under cover of a letter from Bräuer (4620/E200191-94), dated Jan. 30, 1935; this date would appear to be a mistake, as in the letter Bräuer refers to the Eupen expulsions; it should probably read Dec. 30, 1935.

² Taken from the copy cited in footnote 1 above.

³ Not printed (8456/E595549-52).

various proofs of her desire for an understanding which Germany has shown are indeed occasionally noted in Belgium, on the whole they hardly ever evoke any response in public. This has led at times to the impression that Germany's endeavours to improve her relations in [*sic*:? with] Belgium were of such decisive importance to her that German policy would not allow anything to interfere with this and would even put up with a certain amount of obstruction from the Belgian side. As I have gathered from talks with Secretary General van Langenhove, with the previous Director of the Political Department, Le Tellier, and with an expert on these matters in the Belgian Foreign Ministry, this view has also been fostered in the Belgian Foreign Ministry by the reporting of the Belgian Legation in Berlin. In their reports the Belgian Legation have focused attention on statements by personages who are outside the [German] Foreign Ministry. In consequence the Belgian Foreign Ministry have on occasion been given the impression, and this has been deliberately encouraged, that the policy of the German Foreign Ministry is disavowed by other departments and Party offices, and that the Führer's real policy lies in quite a different direction from that of the Foreign Ministry. The practical application of this theory to our *démarches* on the Eupen-Malmédy question is that the German Foreign Ministry's policy is represented as having the imperialistic aim of regaining possession of the ceded territories and as not being in harmony with the Führer's own policy, which, apart from Lithuania, is aimed at establishing good neighbourly relations with all the States bordering on Germany and which is not to be diverted, least of all by ethnic questions [*Volkstumsfragen*], from pursuing this course. Typical of this view is the statement in *Le Soir* of December 28, repeated in the *Grenzecho*, that the Führer himself had recognized that there was no Eupen-Malmédy problem. The Belgian Minister's account of his farewell audience with the Führer, about which I reported in my A 343 of November 7,⁴ is on the same lines.

In political circles the visit which Ambassador von Ribbentrop paid to the Belgian Minister President, van Zeeland, in Brussels at the end of September has also been taken to mean that the German need for a *rapprochement* outweighs all other considerations of foreign policy. It is pointed out that the visit took place at our instigation and at a time when the proceedings for deprivation of citizenship were pending against inhabitants of Eupen-Malmédy and when the main trial was imminent. Remarks to this effect have been made to me not only in the Belgian Foreign Ministry but also by the distinguished Belgian author, Pierre Daye, who claims to have assisted in preparing for the visit. These remarks have also been given substance by the fact that, although the Belgian Minister [to Germany] was present at the visit,

⁴ Document No. 403.

neither the [German] Foreign Ministry nor the [German] Legation in Brussels had any knowledge of the visit.

II

Another fact which is adduced as proof of Germany's desire for a *rapprochement* is that, according to press reports, during the conversation between M. van Zeeland and Herr von Ribbentrop mention was made of raising the German Legation in Brussels and the Belgian Legation in Berlin to the status of Embassies, and, according to information which has reached me from various other sources, this has also been mentioned more than once in recent months in Berlin. I myself have been spoken to about this in the past few weeks by the Italian Ambassador in Brussels,⁵ by the Director of the Minister President's Department of Propaganda, M. René Hisleire, and by M. van Langenhove. Although it does not really come within the scope of the present memorandum, I should like at this point to report on the statements made by the two last-named gentlemen.

M. Hisleire informed me that the Belgian Government would not consider it inopportune if Germany were to suggest that their two Missions be raised to the status of Embassies, because that might provide the Belgian Government with an occasion to raise other Missions to the status of Embassies at the same time. The Belgian Government had in mind raising to the status of Embassies in Europe, apart from possibly the Legation in Berlin, also their Missions in Moscow, Warsaw and The Hague. M. van Langenhove said in this connection that, where the establishment of Embassies was concerned, the Belgian Government had hitherto always left the initiative to the foreign Government, and with regard to the establishment by each side of Embassies in Berlin and Brussels, his private opinion was that, if the more or less private and semi-official feelers that Germany had so far put out were to assume concrete form, the Belgian Government would welcome with satisfaction such official initiative on the part of Germany, especially as, purely externally, it would provide public opinion the world over with a demonstration of the improvement in German-Belgian relations in a harmless form. M. van Langenhove's remarks contained an allusion to the fact that, in view of the mood of her population, and in view of her international position, Belgium could not afford to conclude a non-aggression pact with Germany and would still have to exercise a certain caution as regards emphasizing her friendly relations with Germany.

These two most important statements have been followed by a series of others made privately to me in the course of the past few weeks. These too were made on the basis of deducing, from the alleged German initiative over the plan to raise the status of the Missions in

⁵ Luigi Count Vannutelli Rey.

Berlin and Brussels, a keen German desire to achieve improved relations with Belgium.

III

The aforementioned German efforts to secure an understanding and improvement in German-Belgian relations, in the form in which they have been reported and understood in Belgium, have met with a not unfavourable reception here, although, as I have said above, they have evoked no equivalent response. Unfortunately the Belgians have assumed a certain contradiction between German endeavours towards a *rapprochement*, which the Belgians hold to be very marked, and the numerous *démarches* made in respect of Eupen-Malmédy both with the Belgian Chargé d'Affaires in Berlin⁶ and with the Belgian Government here; and attempts have been made to turn this to advantage by building upon official German policy's unqualified desire for an understanding and efforts to secure a *rapprochement*. If my correction of the report made by the Belgian Legation in Berlin on the Führer's statements during the Belgian Minister's farewell audience has already clarified matters to a certain extent, then our protest against the expulsions carried out as a result of misplaced trust in Germany's desire for an understanding, together with the reaction of the German press, will also have shown the Belgian Government and the Belgian public that we are not prepared to allow the good-neighbourly relationship to be subjected to strains imposed unilaterally by Belgium.

BRÄUER

⁶ E. Graeffe.

⁷ Documents on Eupen-Malmédy have been filmed on Serial 8456.

[EDITORS' NOTE: With the disbandment of Department IV of the Foreign Ministry by a directive of September 21, 1935, and the transfer of its functions to Departments II and III (see Appendix II and footnote 7 thereto), its director, Richard Meyer, was granted leave from the Foreign Ministry on September 30, and was retired on December 30 under the provisions of the Reich Citizenship Law of September 15, 1935 (for the text of which see *Dokumente der Deutschen Politik und Geschichte*, vol. IV, p. 256), and the decrees for its implementation dated November 14, 1935. At the time of his departure Meyer submitted to the Foreign Minister a paper entitled "Memorandum on Eastern Policy", which was registered as IV Ru. 3928 under the date October 1, 1935; the only copy which has been found (6609/E497544-60) is, however, dated October 25].

No. 478

9588/E075885-05

The Chargé d'Affaires in Rumania to the Foreign Ministry

61 — I A 3

BUCHAREST, January 1, 1936.

Received January 10.

II Balk 87 R.

POLITICAL REPORT

Subject: German-Rumanian relations.

Rumania's balancing act: Rumania's attitude towards Germany is ambivalent. As a State which professes the *status quo* of the Peace Treaties, she stands in the ranks of our opponents; as a country who sees her greatest danger in Russia, she does not cease to regard Germany as a possible partner in countering Russia or at least to take into account the possibility of the return of a rearmed Germany into the field of Balkan politics. This ambivalence in German-Rumanian relations is best exemplified in the relations of both States with *Poland*, with whom Rumania is still allied, for all that Poland, in major policy, has extensively associated herself with Germany. Thus, at least in theory, Rumania is in a position to choose between two groups of Powers and would be a poor pupil of the Turks, to whose Empire she belonged till a few decades ago, did she not try to benefit by such a see-saw policy. Our tactical weakness in this game lies in the fact that we have *a priori* declared ourselves opponents of Russia, while the Russians persist in maintaining that they still have freedom of choice, and are therefore more assiduously courted than is considered necessary in respect of ourselves.

Titulescu's attitude: Certainly Titulescu has so firmly hitched the policy of his country to the side of our opponents that he can pursue a *rapprochement* with Germany (which he must surely desire at least as a trump card) at present by means only of gestures or by indications of slight significance. Nevertheless, such a tendency on his part did emerge last year and merits a retrospective survey, the more so in that it occurred during a year in which the consolidation of our opponents' camp seemed to have been finally perfected by the conclusion of the May pacts between Soviet Russia and two of Rumania's closest allies,¹ and during which Germany, on the other hand, bothered but little about the Bucharest Government.

Worth mentioning are, first of all, Titulescu's repeated and emphatic assurances that he had no anti-German inclinations whatever; that to the best of his ability he was safeguarding Rumania's interests, but that he would not enter upon agreements that were directed against

¹ i.e., of May 2, 1935, with France and of May 16, 1935, with Czechoslovakia.

Germany; that an anti-German policy would be a luxury in which Rumania could never afford to indulge, and that, in particular, he would only join an Eastern Pact in agreement with Germany. Assurances of this kind, given in private, were the sequel to gestures made in public, like his toast in April to the "Reich Führer" (instead of "Chancellor"); the very tactful manner in which he accepted the changes in our diplomatic representation here and successfully suppressed any adverse criticism; the settlement of the "Weber" case² which must have been very difficult for him; finally, the way in which he accepted our rearmament, when first in his toast on February 19³ he implicitly recognized our claim for equality of rights and then, when the Defence Law was announced, urged everybody to keep calm and indeed, in his own witty fashion, succeeded in persuading people that there was even a certain measure of justification in the German point of view.

Trade Relations: Furthermore, it is thanks to Titulescu personally that the dispute over the old Otto Wolff contracts—one of the worst stumbling-blocks in the way of a commercial understanding—is now, after much laborious negotiation, coming to an end.⁴ In my own opinion, it is doing him an injustice to accuse him of having later sabotaged the negotiations on the "overall agreement".⁵ Far more to blame are the jealousy between the competitors, the hostile attitude of the press, with which, in spite of all warnings, we disdained to get into touch in the manner customary in this country, and the inexperience of the then Minister of Commerce, Manolescu-Strunga, who went wrong in both the tempo and the outward form of his approach to Germany and who boasted far too naïvely of the secret agreement he had concluded with us.⁶ In any case, the subsequent rifts in our economic negotiations were not due to any "anti-German" tendencies but to Rumania's economic difficulties, or alternatively to the inability of the Rumanian Government to master them. Rumania's sincere desire to strengthen her commercial relations with Germany has persisted undisturbed by any considerations of foreign policy, and has been limited only by the question of procuring foreign exchange.

The Press: Even the attitude of the Rumanian press is by no means

² Friedrich Weber, the representative of the *Völkischer Beobachter* in Bucharest, was expelled at the end of August 1935. Pochhammer reported at the end of December 1935 that permission had been given for Weber to return. In April 1936 a renewed request for his recall was made by the Under State Secretary in the Rumanian Foreign Ministry. Fuller details have been filmed on Serial 9680.

³ On the occasion of a farewell dinner given by Titulescu for the departing German Minister, von Dehn-Schmidt, who was recalled after spending less than six weeks in Bucharest. Pochhammer reported on the significance of the speech in despatch No. 669 I A 4 of Feb. 26, 1935 (6695/H102240-44).

⁴ See also documents Nos. 110 and 431.

⁵ Presumably a reference to the supplementary import duties imposed by Rumania; see document No. 297 and footnote 3 thereto.

⁶ See vol. III of this Series, document No. 551 and footnote 1 thereto.

such plain evidence of the alleged anti-German tendency of Rumanian policy as would at first appear. It is in the first place Titulescu himself whom we must thank for the fact that the insulting sallies against the Führer have now become markedly less and have, indeed, all but disappeared from the leading newspapers. The spiteful suspicions voiced against German policy and Germany in general may be attributed for the most part to the Jews, though partly also to the assumption, widely held and never categorically denied by us, that Hungarian revisionism is supported by Berlin. Some of these attacks on us are inspired by Paris or Moscow; and if the Rumanian Government base their security and rearmament measures on "fear of Germany", they can justify themselves by pointing out that esteemed and by no means anti-German statesmen in Britain have, during the past year, not scorned to make use of similar arguments.

Policy in respect of Russia: For us, the real criterion of Rumanian policy should not be the attitude of the press, which in this country is still too undisciplined and politically too immature to be regarded as an authoritative factor, but purely and simply Rumania's policy *vis-à-vis* Soviet Russia.

At all events, one must begin by observing that even a *rapprochement* with Russia would not, to Rumanian eyes, appear *per se* as an "anti-German action", for as yet Rumanians simply cannot conceive that these two peoples, formerly allies for more than a century, should henceforth continue to remain enemies. Further, it must not be forgotten that it is precisely Germany's refusal to be drawn into Balkan affairs which is helping to drive Rumania into the arms of Russia—and particularly so, as I tried to show in my Annual Review (despatch No. 3798 of December 31, 1935),⁷ after Rumania had in the course of the year 1935 been disappointed almost everywhere in her hopes of finding support elsewhere against Russia in case of need: in respect of help from France or Czechoslovakia, in consequence of their pacts with Russia; from Poland, on account of the estrangement between them: from the League of Nations, given the weakness it is displaying in the Abyssinian conflict; from the Eastern Pact or the Danubian Pact, since neither of them has materialized; and so on. Admittedly, as I have constantly pointed out in my reports, Titulescu has personally strongly supported a Rumanian pact with Russia; there may certainly seem good reason to assume that a possible successor would not continue to pursue a *rapprochement* with Moscow with the same intensity as Titulescu is doing. But it is certainly equally true that unalterable facts—Rumania's geographical position and her weakness, both as a State and in military power—would compel any successor to follow the same path, unless and until Germany makes the Rumanian leaders realize that she has once more become a factor in

⁷ Not printed (7849/E569625-38).

South East European power politics. As long as Rumania possesses no support capable of acting as a counterpoise to Russia's lust for power, the Rumanians cannot be blamed if they seek to mitigate the Russian menace by courting Russia and, in so far as this can be done by means of agreements on paper, to counteract the ever-present possibility of Russia's marching through their country, or even turning it into a theatre of war, by at least entering upon treaty obligations in good time. For has anyone any doubt as to whether, in case of emergency, and if Bohemia were to be threatened, the Soviet Republic would respect Rumanian neutrality any more than Germany did Belgian neutrality in 1914?

If we allow things to drift on as heretofore, then it is to be feared that in the near future Rumania will be drawn wholly into the Russian camp, whoever is Foreign Minister. Only by Germany's making herself both seen and felt can Rumanian policy be given the chance, if not of seeking to incline towards the German group, then at least of resuming her balancing act policy, which, as I said at the beginning, is the method of asserting themselves which is both most welcome to the Rumanians and most in keeping with their character. And this is something which we must bear in mind all the more clearly during the coming year, since it is to be expected that, once her pact with France has been ratified, Russia will put pressure on Rumania to come to a clear-cut decision. That we, however—whatever value one may place on the Rumanian State as such—have a vital interest in preventing her from slipping away from us into the Russian camp, seems to me to be beyond dispute, when it is remembered that, in Rumania, Central Europe possesses the only easily accessible oil wells, and that these, in case of emergency, would come under Russian control. Nor is there any doubt that the territory of Rumania would offer the Soviet forces an advanced base, which, admittedly, would not affect Germany as directly as would Czechoslovakia, but which would present greater difficulties for counter action by us than would Czechoslovakia.

Our Task: In my own opinion, the New Year presents us in Rumania with the task of combating the threatened incorporation of Rumania into the Soviet system with greater diplomatic endeavours and means than were, mercifully, called for during the past year.

Whilst I should like to reserve the right to make a fuller report and/or explanation by word of mouth, I would here invite attention solely to the following points:

1. The King, who has always advocated rational cooperation with Germany, but who has recently been very unfavourably influenced against present-day Germany by hostile propaganda, apparently of French origin, must be kept more regularly informed—and that, as far as possible, not through official channels—about Germany;

this should be done either through his German relatives, with whom close touch should for this purpose be maintained, or, which might be even more efficacious, through the British Court. As seen from this post, we could cooperate much more than hitherto with Britain in handling the Rumanian question; for Britain's interests here, as far as Russia is concerned, may be presumed to coincide with our own, and precisely at the present juncture Britain is making successful use of her Court connections in both Athens and Belgrade.

2. We should cultivate more closely our relations with Rumanian military circles, and particularly with the General Staff. Therefore, I regard it as absolutely essential that our Military Attaché, who is at present stationed in Prague, should transfer his headquarters to Bucharest. Since, as it happens, Colonel Tschunke already enjoys very good personal relations with the King, his cooperation in this respect, too, would be of great importance during the coming year.

3. The exchange of views with Rumanian politicians and the resultant opportunities of influencing their opinions ought to be more intensively organised so as to make it possible to discuss with them those questions, too, which most concern Rumania. As long as we maintain the attitude, with regard to the Rumano-Hungarian tension, that "we do not wish to allow ourselves to become involved in Rumania's political quarrels with her neighbours", we also, of course, deprive ourselves of any chance of exercising any influence upon them. By means of some formula such as that which, for instance, I suggested in my report No. 3236 of October 28, 1935,⁸ we must place ourselves in a position where we are able to go into questions as delicate as these, and in any case to explain the nature of our neutrality, as we managed successfully to do for instance in 1911 when two of our quondam allies—Turkey and Italy—were at war. We must also be in a position to discuss German-Czechoslovak relations, which always crop up here in any conversation in which German-Rumanian relations are mentioned. We should also be able to emphasize how closely our interests coincide with those of Rumania: e.g., we are both opposed to the Stresa front; both opposed to a dictate by the Western Powers; both opposed to a restoration of the Habsburgs; both disillusioned over the League of Nations. We must show an active interest in Rumania in every way, and by so doing must try to interest Rumanian politicians (even those whose sympathies, like Titulescu's, are opposed to the Third Reich) in Germany as a practical factor and to make them more conscious of the value of Germany as a trump card against their own friends and allies. If we exercise the necessary caution, we may succeed in persuading even a Titulescu to take an interest in possessing and strengthening such a

⁸ See document No. [427], footnote 1.

trump card. The attitude he adopted towards our rearmament shows that there are such possibilities.

4. The same attitude of expectant reserve as would apply to such feelers should also obtain in our relations with the Rumanian press, for the press, in any case, is worth *financial* expenditure only for definite purposes. Even so, the attitude of apparent indifference, which, with few exceptions, we were compelled for lack of means and personnel to adopt last year, must now be modified, in that we should follow the daily press with attention, find some means of reacting to attacks, and, by means of more regular contacts, endeavour to win more understanding for our point of view at least amongst those personalities who are amenable to reason at all. For this task, for which suitable intermediaries are available, certain, though very limited, funds will be required.

5. In this respect DNB could make a substantially larger contribution by providing better and more abundant material in respect of both journalism and propaganda. A great deal of the news so far supplied about conditions in Germany has failed of its effect because its semi-official inspiration has been all too apparent and because insufficient regard has been paid to the psychology of the reader. It would therefore be highly desirable to have a more informal presentation and a more abundant supply of news.

6. Further, we must again pursue our cultural work more actively. First and foremost we must, by means of scholarships for Rumanian students attending German universities, ensure that another generation succeeds the generation of German-educated Rumanians which at present still survives, but which badly needs successors. But we should also conduct from the German Reich a centre for cultural exchanges between German and Rumanian intellectual life. The centre's first task should be the organization of a small German exhibition. A separate report is being submitted on this subject.⁹

7. And, finally, we must turn our attention to arranging personal contacts between the leading personalities of the two countries—a meeting with the King (perhaps in Sigmaringen),¹⁰ an invitation to Titulescu to visit Berlin, or, should an opportunity present itself, a visit by a suitable German personage to Bucharest.

All these suggestions should not be understood in the sense of being designed to serve a zealous propaganda campaign nor as containing the promise of definite "successes". They are intended to make clear only that Germany must henceforth *be more visible* here, in order at least to afford those who—in the defensive struggle against Russia—are looking towards us a certain measure of support and, should developments in the immediate future require decisions which cannot

⁹ Not found.

¹⁰ See also document No. 393.

yet be foreseen, to have prepared the way in advance for possible intervention on our part.

POCHHAMMER

[EDITORS' NOTE: Little evidence as to the precise nature of Ribbentrop's discussions with Japanese military representatives in 1935 (see this volume, documents Nos. 452 and 479, and vol. V of this series, document No. 197) has been found in the German Foreign Ministry archives. According to the records of the International Military Tribunal, Far East, it appears that in the spring of 1935 Ribbentrop approached the Japanese Military Attaché in Berlin, General Oshima, through a certain Herr Hack, formerly associated with the South Manchuria Railway, and asked him whether the Japanese Army would be interested in some kind of a defensive alliance against Russia. Oshima met Ribbentrop for the first time in October 1935 at Hack's house, where Ribbentrop repeated his enquiry, adding that the proposal was his own personal idea. On Oshima's reporting this to the Japanese General Staff, Lieutenant Colonel Wakamatsu (Chief of the Fourth Section of the Second Division of the Japanese General Staff) was sent to Berlin to ascertain the views of the German Army and Government on this proposal and to investigate the possibility of concluding a pact against the Comintern. Wakamatsu reached Berlin at the end of November 1935, remaining there until January 1936, when he returned to Japan. In Berlin he held conversations with Ribbentrop and General Blomberg, in the course of which it appears to have emerged that the German Army had already decided to prefer the proposal for a pact against the Comintern to that of a direct military alliance. (See the *Proceedings of the International Military Tribunal for the Far East, Transcripts*, pp. 5,914 ff. interrogation of Oshima, 33700, affidavit and evidence of Wakamatsu, 34,075-080, cross-examination of Oshima.)]

No. 479

6024/H045309-12

Ambassador Dirksen to Senior Counsellor Erdmannsdorff

PERSONAL AND CONFIDENTIAL

TOKYO, January 1, 1936.

Typed by myself

IV Ja. 683.¹

DEAR HERR VON ERDMANNSDORFF: I would like to begin my first letter in the New Year with my warm wishes to you and your family for the New Year and many thanks for the fruitful and comprehensive

¹ According to the IV Ja. Journal for 1936, this document with its enclosure and the extract cited in footnote 6 below were marked to be filed on Jan. 15, 1941, and were registered under the file numbers IV Ja. 683, 682 and 681 respectively.

cooperation on your part. How important is such trustful cooperation is shown yet again by your last letter of December 9,² 1935, which puts me in the picture concerning such important political events as the Oshima negotiations and the Kriebel negotiations, at least in so far as they have come to your knowledge. I am thereby enabled to express my views in the first place to yourself about these conversations. And it seems to me that my views do have some importance; the Foreign Ministry seems meanwhile to have joined in, since you mention a conversation between the Reich Foreign Minister and the Führer.³ But it seems to me to be equally important that I, as the responsible official on the spot, should be given an opportunity of expressing my views.

I have pondered for a long time over the question of how I could intervene in this very involved matter, in which nobody knows what anybody else knows; my main difficulty is that I cannot refer to your confidential communications to me. I have therefore chosen the way out of summarizing my views and reflections as briefly as possible in a memorandum and of enclosing this memorandum to *you* herewith with the request that you submit it to the persons concerned at a time you consider suitable. I assume that this time will already come long before these lines reach you, since the Foreign Minister will, of course, have been concerned with the matter for weeks. In any case I would ask you to bring the enclosed memorandum *as soon as possible* to the attention of those responsible before any decisions have been taken.

As to the matter itself, I need not say much in this letter, since the memorandum is intended to contain all that is necessary. Just two observations: I think that both questions, the Oshima negotiations and the Fürholzer-Kriebel negotiations, should be kept strictly apart, although they overlap to some extent as to their subject matter and as to their treatment by those persons who have so far been concerned with them. But the separation of this pair of twins is nevertheless necessary, because one of the twins, the Fürholzer-Kriebel one, is a still-born child, whereas the other, the Oshima twin, is by no means so. But to judge from the most recent instructions sent from Berlin to Hongkong for Kriebel,⁴ it seems to be agreed in Berlin, too, that nothing positive can be done with this new and naïvely cunning Chinese trick.

My second observation is to emphasize particularly one of the views contained in my memorandum: the Oshima negotiations were not begun on Japanese initiative but, quite unmistakably and clearly, on official German initiative by two high-ranking German officials,

² Not found.

³ No record of such a conversation has been found; see also Editors' Note, p. 948,

⁴ See document No. 451.

Ribbentrop and Canaris. It is utterly impossible in any way to disavow these two gentlemen because we have meanwhile got cold feet, or to conduct the negotiations in such a way that they are bound to fail. We cannot go back now; if you say A, you must go on to say B.

My memorandum, however, will, I hope, over and beyond this formalistic but decisive consideration, serve to prove that a favourable conclusion is in our interests for practical reasons too. In this respect, therefore, the memorandum contradicts the arguments [employed by the Foreign Minister with the Führer] which you mentioned.⁵ These arguments, which were based on the assumption that Britain would soon liquidate the Italian conflict and then direct the whole of her pressure against Germany and/or Japan, have, of course, meanwhile been overtaken by events. But my memorandum is also intended to prove that the contrary is indeed the case to those who reject any commitment on our part with the reflection: "After all, there is nothing the Japanese can give us"; such a view rests, in my opinion, on a fallacy. The Japanese can certainly give us something, indeed a great deal; it is merely a matter of so shaping this gift that it does not become a Danaïd gift for us. The memorandum is intended to indicate how to do this as well. The problem is complicated, but capable of solution.

In connection with these observations, I should like to mention my plan of going to Germany for my leave. My original intention, which still holds good, was to set out from here at the beginning of June (via Canada) and arrive in Germany at the beginning of July. I wanted to choose this, actually pretty late, date as I am expecting a visit here from my sister from Rome, and she cannot arrive earlier than mid-May. But it is now possible that for reasons of health I may ask the Foreign Ministry to agree to an earlier date for my leave, perhaps at the beginning of April, if my asthma goes on as it has been doing, that is to say, if it does not lay me up completely but makes it very hard to work, physically because of the attacks themselves, and morally because of the uncertainty as to whether I shall really be available for the official functions to which I am committed. I have just spent a few days in Karuizawa where I kept well, and I hope that my condition will continue to improve. But if it does not, it would be better to do something radical about it as quickly as possible in Germany by a cure in Reichenhall rather than wearing myself out here.

Now, I think it possible—indeed almost essential—that the competent authorities will wish to see me personally in Berlin and obtain my views more thoroughly than they can be conveyed in a memorandum in connection with the negotiations that are going on,

⁵ The passage in square brackets was not included in the extract cited in footnote 6 below.

and which should presumably (if properly conducted) last some months longer. Should such a project come up, I may say that for me to leave as early as March or April could be explained here quite easily as being on health grounds and would attract no attention. Japanese society is informed of my plans for leave and equally about my attacks of asthma (which have quite often compelled me to leave a party early) and it would appear quite natural for me to go off earlier for this reason. I personally would in this case have to forgo my sister's visit.⁶

Maybe you would also be interested to hear something of the way the economic negotiations are going. So far Kiep has been optimistic, inasmuch as he had the impression—and rightly—that the other party wished to conclude a treaty at all costs. But nothing tangible has yet emerged about the contents of the treaty. On the contrary, during the last few days it has seemed as though the ground already covered would have to be abandoned again in favour of some quite new combination. So far negotiations have been conducted on the basis described in the Delegation's telegram of December 23,⁷ i.e., a promise of foreign exchange from us plus additional purchases of beans by us in return for additional orders placed with us by Manchukuo. But the other party has now launched the proposal that a triangular relationship, Germany-Japan-Manchukuo, should be instituted, on a basis of 1 to 1. There is much to be said for such a proposal but also much against it. I will not enter into more detail about this proposal because the Delegation are not agreed about it amongst themselves and also because it has not yet been made binding by the other party; in this case, too, the Japanese are negotiating in their sickening way that is doubtless all too familiar to you, too, that is, they are officially negotiating in one sense, and unofficially in quite another. This leads to much disagreement amongst the Mission themselves. At present it is naturally impossible to negotiate at all until the 6th because of the New Year holiday, and Kiep has gone to Kobe for a few days.

⁶ An extract from the document here printed, starting with the last sentence of paragraph 2 and going up to this point (6024/H045299-301) bears the following marginal notes: (i) "Herr M[inisterial]d[irektor] Dieckhoff for information. E[rdmannsdorff], Jan. 25." (ii) "For the St[at]e S[ecretary]. D[ieckhoff], Jan. 27." (iii) "[For the R[eich Foreign] M[inister]. B[ülow], Feb. 4." (iv) "Dirksen's reasoning is completely erroneous. His coming here, in so far as it is not essential for reasons of health, is at present undesirable. v. N[eurath], Feb. 5." A separate sheet (6024/H045313) contains the following minutes: (i) "H[err] M[inisterial]d[irektor] Dieckhoff, H[err] v. Erdmannsdorff. The Foreign Minister rejects Dirksen's views entirely. Bülow, Feb. 5." (ii) "I too find much of the exposition erroneous, particularly as regards the possibilities of German-Japan[ese]-English cooperation. D[ieckhoff], Feb. 5." It is evident from a reply by Dirksen dated Mar. 23 (printed as document No. 197 in vol. v of this Series) that Bulow wrote to him about these negotiations in a letter dated Feb. 15, but this letter has not been found.

⁷ Not printed (8992/E630879-80). Tokyo telegram No. 153 (Delegation No. 8) actually of Dec. 24. For the activities of the German Economic Study Mission to East Asia, see Editors' Note, p. 782.

Finally, I would also like to draw your attention to the report⁸ which is being despatched by the same courier and which explains the urgent necessity of setting up the courier service, mainly also in view of information reaching us from Japanese quarters that the Russians are opening the despatch boxes without difficulty and photographing the contents. In view of my detailed knowledge of Russian skill in these matters, I have no doubt that this is so.

What you say about the attention shown to Admiral Godo⁹ in Germany has keenly interested me and given me much pleasure.

But now I must close.

My very best wishes,

Yours, etc.,

DIRKSEN

The news of the death of dear old Roland Köster arrived today. It grieves me very much.

I was very pleased about the Foreign Ministry's instructions concerning the subordination of the Manchukuo Consulates,¹⁰ which arrived just at Christmas.

6024/H045302-08

[Enclosure]

TOP SECRET

TOKYO-KARUIZAWA, December 28, 1935.

Typed by myself

IV Ja. 682.

MEMORANDUM ON THE POSSIBILITIES OF GERMAN-JAPANESE MILITARY AND POLITICAL COOPERATION

1) As long as Germany and the Soviet Union face each other with the full rigour of two State systems totally opposed down to the last detail and differing completely in their nature, and, in addition, the Soviet Union is entangled in the French alliance system and in the League of Nations, so long will German-Japanese cooperation, whatever form it may take, afford Germany relief and be of service to her, provided it comprises the necessary safeguards. For Japan is the only Great Power which is opposed to the Soviet Union both on profound ideological grounds and for a great variety of political reasons (Vladivostock, the Amur frontier, Outer Mongolia, Sinkiang, the Bolshevization of China), and which, in addition, appears to be determined to settle these differences by force of arms as soon as she feels militarily strong enough. Every German statesman who feels that Germany's position is threatened by Russia being used as a battering-ram against Germany must attempt to relieve Germany from the

⁸ Not found.

⁹ Vice Admiral Takuo Godo (retd.), Adviser to the South Manchuria Railway Co., 1928-1937; according to the Journal he was received by Schacht and Neurath early in December while on a visit to Germany. The file to which the relevant documents were consigned is not among the archives held.

¹⁰ Not found.

pressure of the Russian giant by bringing about a commitment with Japan.

2) A German-Japanese commitment ought to be rejected if it were to result in direct and vital disadvantages to Germany owing to the attitude of other Powers. Therefore, the way in which the principal Powers would react to a German-Japanese commitment becoming known must be examined:

a) The Soviet Union would feel threatened and concerned to the highest degree; they would attempt to strengthen the encirclement of Germany as far as possible, but they would not have recourse to war against Germany. Hence there would be no deterioration in the present situation.

b) France would regard a German-Japanese commitment with the utmost distrust, even if she were to recognize that it was solely directed against Russia. But she would not incur the risk of a war against Germany because of a threat to Russia.

c) Italy, preoccupied with her conflict with Abyssinia, Britain and the League of Nations, would be more likely to feel the formation of this new combination to be a relief.

d) To the United States, the prospect of Japan's isolation being ended and of a possible weakening of the Soviet Union—despite all the disillusionment over the development of Russo-American relations—would undoubtedly be most unwelcome. But there would be no fear of active American intervention, given the overall trend of American foreign policy and the backward state of their armament. Their reaction would be to try to bring about closer cooperation with Britain over Pacific questions.

e) Of the greatest importance would be Britain's attitude—firstly because of Britain's significance in Germany's foreign relations in general; secondly, because of Britain's significance as a Pacific Power, and finally, because of the possibility of Britain's joining a German-Japanese combination. The question of the British attitude must therefore be discussed in more detail.

3) Undoubtedly a German-Japanese-British combination would signify an ideal political grouping for Germany (and probably also for the other two countries). Thus the Russian danger, as equally France with her alliance system, would be checkmated. Over and above this, the exploitation of the Chinese market in agreement with Japan would be economically profitable, and cooperation with the strongest sea Power, Britain, would benefit our other overseas interests.

For Britain to join a German-Japanese combination, or for a tripartite treaty to be simultaneously concluded, would be out of the question given Britain's present attitude. British foreign policy has hitherto been guided simply from the viewpoint of "Peace in the world at any price!", slavishly leaning on France and with a slight

ideological embellishment through the League. With Britain jolted out of her sleep only a few weeks ago by Mussolini's swaggering, it is difficult to prophesy how long this energetic foreign policy will last.

Anglo-Japanese tension over China represents an impediment to Britain joining a German-Japanese combination. The steps to restore China's economy that Britain has taken on her own, regardless of the Hirota doctrine ("Hands off China!"¹¹), and the British reaction against the autonomy of North China, have aroused suspicion in Japan that Britain is seeking economic advantages in China without Japan, and against Japan.

Nevertheless, for Britain to join a German-Japanese combination later on does not seem impossible. Reasons: It looks as if Britain has realized that her proceedings in China were ill-considered and wrong because they must drive her into an unwanted conflict with Japan. (*The Times*: "The Leith-Ross Mission was a blunder."¹¹) It is therefore quite possible that a settlement and a *détente* will shortly take place.

But, above all, it looks—from the point of view of politics in general—as though Britain's awakening from her previous lethargy may be lasting. How powerful are the inner tensions that are driving Britain hither and thither are shown by the sequence of events that led to Sir Samuel Hoare's resignation. The rejection of the Anglo-French compromise plan for dividing up Abyssinia also shows that in the foreseeable future it would be inconceivable for Britain again to submit to accepting the status of a French vassal and for the Stresa front to be restored.

Thus for some considerable time to come Britain will stand in head on opposition to Italy; her relations with France will at least cool off slightly. On the other hand, she will abide by the system of collective security and the policy of the League of Nations. That the League of Nations and collective security without the full support of France and without the Stresa front do not form a very stable structure, will be the next conclusion that Britain will draw from her own political awakening. Then she will gradually come to desire to substitute for the grouping of Powers that has collapsed a new and stable one. She would then be ready to take part in a German-Japanese combination.

4) It is obvious that the preceding reflections include many uncertain factors: There can be no guarantee that Britain would in fact consider a German-Japanese-British combination or that she would even welcome a German-Japanese combination. Thus, since the British attitude is uncertain, there arises the question:

a) Should German-Japanese cooperation be postponed until the British attitude is clear?

¹¹ In English in the original.

b) Is it possible for Germany and Japan to come to terms without the risk of alienating Britain?

5) The answers to the questions set forth above, which arise from a consideration of the British attitude, will to some extent be affected by the state of affairs which has meanwhile come about and which is now a matter of established fact, namely, that upon official German initiative conversations with official Japanese representatives are already in train. To break off these conversations for considerations other than such as might arise from the course of the negotiations themselves, to "back out" for fear of Britain, would be regarded by Japan as a grave insult and would poison German-Japanese relations for as long as did the [German] objections to the Peace of Shimonoseki in 1895.

6) So, to the question: "Should negotiations now be broken off for fear of Britain?" the answer must be "No". Apart from the other set-backs which a Japanese alignment with the anti-German front would necessarily involve, it would be indefensible to renounce the safeguards and advantages which Japan can offer us *vis-à-vis* the Soviet Union. It can therefore only be a question of clothing the German-Japanese agreements in a form that will alienate Britain as little as possible. In order to achieve this purpose it is necessary to clarify the question as to what is to be the content of the German-Japanese agreements.

7) To begin with the negative points: In no circumstances must Germany, through the agreements with Japan, be automatically drawn into a war with the Soviet Union (or any other Power); nor must she be so by provisions in a treaty whereby, in the event of an attack by a third Power on one of the parties to the treaty, the other party is obliged to render armed assistance. Germany, in her tremendously exposed geographical and political position, must have a completely free hand, whereas Japan, by reason of her—temporarily still existing—more favourable circumstances, could, in fact, enter into such a commitment. Germany can, moreover, dispense with such a clause on rendering aid, because the dangers of a bilateral German-Russian conflict are lessened by the absence of a common frontier, whereas the Soviet-Japanese problem is full of inflammable material.

From this limitation, the following emerges with regard to the content and form of German-Japanese agreements:

a) The agreements can be of a military and/or political nature.

b) The contents of a military convention must be determined in detail by the competent quarters. Speaking generally, it must contain provisions about the exchange of experience, strategical theories, information and technical assistance in case of an emergency.

c) With regard to a political convention, the content is more important than the form; let the lawyers decide upon the form:

consultative pact, non-aggression pact or the like. The decisive significance of the political convention lies in its laying down the fact of political cooperation between the two Powers and bringing it to public knowledge. Beyond this, an attempt could be made to obtain economic concessions from Japan to relieve the German foreign exchange position, in return for the tremendous German contribution in the technical-military sphere.

8) From the preceding comments there emerges the answer to the question of how Germany's interests in respect of a treaty commitment to Japan could be reconciled with the further requirement of not alienating Britain.

Germany's interests in respect of a convention on military questions could be satisfied by the conclusion of a technical convention between the military authorities on either side, in a form similar to that of the Anglo-French agreements of 1912. It should therefore be kept secret, particularly as it would be of a technical nature.

In the negotiations for a political convention, Britain could be included in some form or other, e.g., by informing her of the plan and the various stages of the negotiations. Anything further could be made dependent on Britain's attitude. Should British opposition be so marked that lasting damage to German-British relations was to be feared, the negotiations could be reshaped accordingly. It can be taken for granted that Japan would agree to such a procedure, it being, of course, necessary to obtain her approval in advance of the negotiations.

A distant analogy is moreover provided by the Japanese-British treaty negotiations in 1902, of which Germany was supposed to be kept currently informed, and to some extent actually was, in order to make it possible for her to accede to the treaty.

9) It must be specially emphasized that the apparently obvious idea of including China in the negotiations—regardless of whether such negotiations were to be with China or about China—has no prospect of realization. Japan regards China as her sphere of interest and attempts, however well meant, at mediation would be rejected as undesired interference. That does not exclude the possibility of confidential German-Japanese discussions taking place *on another occasion* about German participation in the exploitation of China.

10). The present international political situation gives Germany a freedom of action such as she has not had for decades. The old system of world power relationships is tottering on its foundations, because the previous bonds between the Great Powers have become loosened and are in process of dissolution; this applies as much to the Great Power system in Europe (slogans: League of Nations, *status quo*, collective security) as it does to the system of the Pacific Great Powers;

here, too, the principle of the *status quo* that was imposed on Japan (the Washington Treaty of 1922 was to some extent the Versailles Dictate for Japan) is beginning to collapse. The London Naval Disarmament negotiations are the clearest proof of the new distribution of strength.

From the seething cauldron of Europe the new Germany stands out, united, consolidated, untouched by the false mentality of the post-war decades, shortly to be the strongest military Power in the world. On the other side of the globe, Japan, in ideology, in power politics and in geopolitics, is assuming a corresponding position. It seems to be both a psychological imperative and one dictated by reasons of state that these two Powers, who are combating the *status quo* and promoting the dynamism of living forces, should reach common agreement.

V. DIRKSEN

No. 480

8015/E576316-22

The Ambassador in Italy to the Foreign Ministry

No. 62

ROME, January 2, 1936.

Received January 4.

III O 94.

POLITICAL REPORT

Subject: Italy's political situation at the turn of the year.

If one contemplates Italy's political situation at the turn of the year there emerges, in many respects, a gloomy picture. To begin with the Abyssinian campaign, the news from the theatre of war is not very heartening. Italian military circles too are not satisfied with the course of the campaign to date and are seriously worried about its further progress. Fresh reinforcements have been demanded by Badoglio; some have already arrived and some—from Libya—are being despatched. Relations between the various commanders are apparently not satisfactory; there is, in particular, constant friction between the officers of the regular Army and those of the Blackshirt formations. Discipline and morale among the troops often leave much to be desired. Whatever the details may be, it is at least certain that matters in Abyssinia have not so far made satisfactory progress and that the difficulties are even greater than had been foreseen.¹

Equally uncertain and fraught with danger for Italy are forth-

¹ In Rome telegram No. 250 of Dec. 27, 1935 (8015/E576300-01) the Military Attaché reported information from General Roatta about the campaign in Abyssinia, and stated that Roatta was visibly depressed. Maj. Gen. Fischer's own assessment of the situation was that the abandonment of the Italian offensive in Abyssinia was a sign of Italian weakness and showed that, because of skilful Abyssinian military leadership and British measures in the Eastern Mediterranean, Italy had been forced on to the defensive along the whole line.

coming developments in the sphere of foreign policy. At the time, the abortive Franco-British proposals were at first not commented upon at all among the public here, and were then the subject of critical comment. The Italian Government hesitated so long before officially stating views on these proposals that a statement became unnecessary. This conduct can be attributed to various reasons. Very soon after the proposals became known, Mussolini, with accurate foresight, expressed the view that he need take no further notice of them; they would be wrecked by the opposition in Britain or in the League of Nations. That their content did not fully satisfy the Head of the Government is certainly true, but, this being the case, he had no need to incur the odium of having rejected them. Whether it would have been wise, tactically speaking, to accept the proposals at once as a basis for negotiations, is another matter. Perhaps, meantime, Mussolini thought it would be better to begin by adopting a rather negative attitude, in order not to strengthen still further the impression that the proposals were too pro-Italian. At all events, the Foreign Ministry were definitely inclined to negotiate on the basis of the proposals and it is held there that it was a mistake not to seize the chance. This conviction, which is shared by other quarters too, has been confirmed by Sir Samuel Hoare's resignation and his replacement by Mr. Eden. Eden's appointment as British Foreign Secretary is regarded as proof that Britain is determined to continue with the greatest firmness in her previous policy towards Italy. A further indication of Britain's determination to keep to this course is seen in the enquiries made by the British Government of the Eastern Mediterranean Powers as to whether, in the event of an Italian attack, they would be prepared to support the British fleet. The hope, which sometimes finds whispered utterance, that Eden, as responsible Foreign Minister, will be more open to compromises than in his previous capacity, is given little credence.

In view of all this, the Italians are clinging with redoubled tenacity to France. Laval's victory in the [French] Chamber² has been received with keen satisfaction, even if with inner doubts as to whether it will last. Although France is one of the sanctions Powers, she is being courted, especially in the press, in an unworthily seductive way. Laval's undisguised attacks on Mussolini's policy were at first almost entirely suppressed and are now being touched upon only timidly in correspondents' reports from Paris.

Compared with Italy's relations with Britain and France, her relations with other States at present play only a minor part. A certain amount of space is admittedly being devoted to warnings against Bolshevism, which, in league with the Freemasons, is said to be behind anti-Italian policy throughout the world. On the other

² On Dec. 28, 1935, after a two-day debate on foreign policy.

hand, questions such as that of the Danubian Pact and the Austrian question, which were previously of primary interest, have at present receded altogether into the background. With the exception of France and the United States, which occupy a special position, the world, for Italy, is divided into two parts: sanctions countries and non-sanctions countries. Wrath against the former is in some cases being expressed in a positively childish fashion, e.g., the renaming of streets and squares (at present, however, only by the Party), of hotels and brands of cigarettes, and even of racehorses and lap-dogs! In society, one hardly ever meets Englishmen, or even nationals of other sanctions States, in the same house as Italians. The non-sanctions countries, particularly Germany, are being praised and are being assured, in the fashion which, though hardly convincing, is customary here, that Italy will never forget their behaviour.

Where Germany in particular is concerned, feeling has certainly long not been as favourable towards her as today; people are, to some extent, attaching exaggerated hopes to German non-participation in sanctions. Political realities do not, however, correspond to these fantasies; on the basis of reality, relations with Germany are being entirely subordinated to the prime necessity of doing everything possible to keep France, if not at Italy's side, then at least as a benevolent mediator between Italy and Britain. Today, at all events, all else recedes behind this necessity, and, to this extent, despite everything that has happened, the word "Stresa" is still a concept valid for the future. Only if France ever had to be finally written off would the situation change fundamentally where Italy is concerned, while the Austrian problem, too, might acquire a different complexion.

Very recently, reports have been actively spread that the cooperation, almost amounting to a military alliance, between Britain and France is being conducted with an eye not so much on harmless Italy and her colonial enterprise, which fundamentally is not world-shaking, as on feverishly rearming Germany as the real opponent.³ To this extent, too, one might once again say: "*Stresa redivivus*". Admittedly such a revival of the Stresa structure today certainly no longer corresponds to the Italian ideal; instead, the conviction has again taken root, after all the vicissitudes of the last two years, that the Three Power relationship of Stresa, which has made so poor a showing, must again give way to the principle of the Four Power Pact.⁴

Apart from the indomitable hopes placed on France, there exists, as a consoling thought in a situation which seems otherwise to have become completely confused, some slight optimism with regard to

³ In cipher letter No. 141 of Jan. 4 (8024/E577707) Hassell, referring to this passage, reported that the Italian Ministry of Propaganda had directed the Italian press to reduce such reports to a minimum in future.

⁴ Signed on July 15, 1933; see vol. 1 of this Series, documents Nos. 292 and 368.

sanctions. People are remarking that it has, for a start, at least proved possible to prevent the petroleum embargo; signs are sought that a complete or almost complete failure of sanctions in general is probable; some are toying with the possibility that Britain, faced with the collapse of collective action, might then prefer to withdraw into isolation from the Continent and from the League of Nations. However, not much credence is attached to such a development.

Since Italy's military position in Africa and her situation as regards foreign policy are in no way heartening, the further question arises as to the state of affairs inside Italy. There is no doubt that dissatisfaction has increased in the country since the failure of the Anglo-French proposals, that the atmosphere has deteriorated, and that Mussolini's policy is being increasingly criticized. Above all, he is widely held responsible for the fact that negotiations have not come about. But it would, in my opinion, be a mistake to attribute too great a practical significance to the increasing criticism and the deterioration of the atmosphere. It is well known that few things are harder than to form a judgement about the true atmosphere in a country such as present-day Italy. Nevertheless, I think I can say that the vast majority of the Italian people still stands behind Mussolini. It should be noted, in this respect, that the factor of the Monarchy has recently increased in importance as an element providing continuity. The recent sessions of the Chamber of Deputies and of the Senate, the "Day of Faith" on December 18, and other events, were impressive demonstrations of the self-sacrificing devotion of the people, and of every class at that. Nor should it be forgotten that the Italians are extremely easily satisfied and that the masses are relatively little affected by having to do without certain luxury articles and delicacies, which might perhaps seem a great sacrifice to other peoples. In short, reports alleging an estrangement between the Royal House and Mussolini, or separate efforts by the King to reach an understanding, must be treated with the greatest caution.

Finally, as regards the widespread view that Italy will have to break off the Abyssinian war for financial reasons in the near future, or that she is facing financial collapse: Italy's financial situation is undoubtedly extremely difficult. In my view, however, prophecies in this field are very risky, at least where the supposed time factor is concerned, particularly in an era when all the traditional rules and laws of economics have been jettisoned.

No one can tell how matters will now develop. Almost completely isolated internationally, and entangled in an enterprise which Mussolini would perhaps not have begun had he foreseen the difficulties, Italy finds herself in an unenviable position. Nevertheless, I do not believe that a catastrophe is imminent. I should still consider it more probable that the Abyssinian conflict will finally end in a compromise

resembling the solutions hitherto contemplated. In that case, Facism will very likely emerge from the affair with weakened authority, but still outwardly intact. There are, however, other possibilities: To the question of whether Italy would if necessary be prepared to let it come to a war with Britain, I should reply in the affirmative. I even believe that, if Mussolini were driven to desperation by economic sanctions, he might decide to take the offensive himself, at the risk of his own destruction. War with Britain, the final outcome of which can scarcely be in doubt, would, as would also an unfortunate outcome of the campaign in Abyssinia, lead to upheavals that might mean the end of the Fascist régime. That such a development is not in any way in our interests is obvious.

HASSELL

No. 481

5865/E429490-92

Minister Rümelin to State Secretary Bülow

CONFIDENTIAL

SOFIA, January 2, 1936.

A 1

II Balk. 56 B.

DEAR HERR VON BÜLOW: When the King paid me a New Year's visit yesterday afternoon, we had about an hour and a half's conversation. This I venture to report to you and to the Foreign Minister in the present form, as the confidential nature of what was said excludes an official report. Part of what I have to tell you does not come strictly within the scope of my official duties, and is not new either; even so, such information may not be without value in providing a check.

We first spoke about the Italo-Abyssinian-British crisis, and the King mentioned the frequent visits of his cousin, King Leopold of the Belgians, to London. He told me at the outset that Mussolini hated the Italian Crown Prince—a feeling which, he added, was reciprocated, and was partly attributable to the fact that the Prince of Piedmont liked making public appearances and was not inclined to cede pride of place to Mussolini without further ado, as does King Victor Emmanuel. The visits to London by the Belgian King, whom King Boris, incidentally, does not regard as very well suited for purposes of this nature, were made at the instigation of the Prince of Piedmont's consort, the sister of the King of the Belgians; this lady was, he said, a politically astute Coburger and cleverer than her brother, the Belgian King. The purpose of the latter's visits to London had been to urge the King of England to prevent the imposition of an oil embargo, for—so said King Boris—there was no doubt that, in such an event, Italy would be done for.

The King also said that relations between Mussolini and his [King

Boris'] brother-in-law had not been improved by this step, for the "Duce" could not bear it if anyone meddled in his policy.

For the rest, the King regards the general situation as being exceedingly bad for Italy, and he thinks that Britain, particularly after the Hoare intermezzo and as a consequence of her injured *amour-propre*, will do her utmost to settle not only the concrete Abyssinian case but, *à la longue* and with bulldog tenacity, the "Italian business" as well.

The King has but a poor opinion, too, of the Foreign Secretary, Eden, whose vanity, wounded by Mussolini, and whose "Captain's"¹ pride were, the King said, factors which must certainly be taken into consideration as regards future developments.

We then turned to Bulgaria's situation which, in *foreign affairs*, continues to be satisfactory, and in this respect the King is pleased that the attention of Europe has been somewhat diverted by the Italo-Abyssinian events and their consequences from Bulgaria's *internal* difficulties.

With regard to the eradication of political activities among the Corps of Officers, the King said that thanks to the various recent purges very considerable progress had been made. The King declared that the position today was the same as that which had obtained after the fall of Stambuliski, at the beginning of Liaptchev's Government.² But everything was not yet *completely* in order. The King illustrated this by giving the following example: Of the officers commissioned in the last year of the war, some 160 were still serving, and he had had repeated opportunities recently on manœuvres of inspecting them. There were about one hundred amongst them who had just attained the rank of major and were good and reliable; sixty, on the other hand, were not, and of these sixty about thirty were quite corrupted.

The situation would, of course, improve with every new annual intake. It followed, therefore, said the King jokingly, that he must still pay attention to his "Ras[es]" and that relapses on occasion—"Balkan" relapses as the King called them—were not out of the question.

With regard to internal political developments, I had the impression that the King wishes first to restore order completely in the Army and to await the conclusion of the Velchev trial.³ He apparently also intends first to allow the "politicians of the future",

¹ In English in the original.

² Alexander Stambuliski, a peasant leader, ruled Bulgaria from October 1919 to June 1923 when he was overthrown and assassinated in a *coup d'état* in which the League of Reserve Officers played a prominent part. Liaptchev became Minister President in 1925.

³ Colonel Velchev had been arrested following the proclamation of martial law on Oct. 2, 1935, in consequence of an alleged conspiracy to overthrow the King and Government.

Tzankov and the Agrarian Party Leader, Gitchev, to "champ at the bit" for a while.

The King then told me, with reference to a previous conversation,⁴ that it was quite true that the sooner Bulgaria received the deliveries of arms required for her rearmament programme, the more quickly would his officers quiet down, because regular military duties were the best means of diverting officers from politics.

In this connection he told me in confidence that he had had the Chief of the Ordnance Office, General Boitchev, transferred from active service to the reserve. Boitchev, he said, was responsible for the fact that certain deliveries of arms from us had not materialized,⁵ because he had indulged in middleman activities and indiscretions *vis-à-vis* foreign Powers.

The whole armaments question was now to be taken up afresh and properly handled.

Finally, we turned to the question of the post of Bulgarian Minister in Berlin. The King confirmed that there would probably be a change, but it was obvious that he was not in favour of the appointment of the former Minister for Education, General Radev (a former Military Attaché in Berlin), who is very active in pulling strings on his own behalf.

The conversation, which was particularly frank and cordial, closed with good wishes from the King for the Führer and for his personal acquaintances in Berlin.

With best wishes for the New Year,

Yours,

RÜMELIN

⁴ No record of this conversation has been found.

⁵ The documentation on the negotiations contained in the Foreign Ministry files is fragmentary. No record of such activities on the part of Boitchev has been found, but see also document No. 557.

No. 482

8111/E579722-29

Ambassador Bergen to Foreign Minister Neurath

CONFIDENTIAL

ROME, January 4, 1936.

Received January 13.

II Vat. 38.

DEAR NEURATH: The resentment against Germany among leading Vatican circles, which by now has become embitterment—or, to be more accurate, against certain State and Party authorities—, and about which I last reported in my despatch No. 427 of December 6, 1935,¹ was all too clearly reflected in the New Year audience.

¹ Not printed (8111/E579709-21). This report described the reaction in Vatican and ecclesiastical circles to the trial and conviction in Germany for alleged currency offences of Dr. Legge, Bishop of Meissen, and other leading Catholics.

The Pope is not in the habit of receiving the Diplomatic Corps *in corpore*, as is the custom in most capitals, but attaches importance to seeing the Heads of Missions separately, and, within the allotted time of ten minutes, bestowing on them praise or blame as the case may be. The so-called conversations are monologues by the Pope, who takes it for granted that his words will be heard without demur and received with deference; my Catholic colleagues would never venture to reject statements made by the Pope, the Vicar of Christ. Hence the stormy course which my audience took and the tremendous indignation provoked by the objections which, with difficulty, I interjected into his unremitting private allocution.

After cordially reciprocating the Führer's and the Reich Government's New Year greetings, the Pope at once turned to the wish I had expressed that our hopes of peace and his appeal for peace might find realization, and said that he fully shared my wish and hoped that it would above all be fulfilled in Germany and that Germany would soon have internal peace restored to her. With growing agitation he went on to say that he had been most painfully affected by many events in Germany and that he could not conceal from me his grave anxiety as to future developments; instead of the expected improvement he observed increasing deterioration, and he could not wait much longer. Above all, he must stress—and raising his voice he repeated this three times—that he most definitely rejected the German assertion that Germany had saved the Roman Catholic Church from Bolshevism; this was by no means the case; the Catholic Church defended herself. In complete contradiction to all her solemn declarations, Germany's object was to destroy the Catholic Church; there was a veritable persecution of the Church and the Catholics; they, however, would hold their own; rather would it be others who fell; the Church weathered all the storms which for centuries had swept over the world and even the strongest personalities had not been able to prevail against her. Here I briefly interjected that everything on earth was subject to the process of birth and death. In this connection the Pope spoke of Bismarck, who, he said, had certainly been a man of power; (I presume this was meant to allude to the *Kulturkampf*). The Church was being deprived of her freedom; efforts were being made, even amongst the highest circles, to found a national Church; the press was being muzzled; he himself had not long to live and would therefore not be here to see those sorrowful events, which he now anxiously foresaw, come to pass. During the course of the audience the Pope, as is his custom, repeated these thoughts with variations. I seized the opportunity, during the short moments when he paused for breath, to tell the Pope in reply that there could be no question of any persecution of the Church in Germany; the undeniable dissatisfaction and the reactions in my country were due

to a variety of causes: the previous opposition to the Movement by the Catholic clergy; many of the clergy had failed to accept the New Reich and did not wish to do so; in Germany there were unfortunately far too many Don Sturzos.² In great agitation the Pope retorted that he did not wish to pardon the unpardonable (apparently he thought I was alluding to the foreign exchange cases); he wanted no excuses, but simply to state what he wished to make plain. I quickly interjected that it was not a question of excuses, but of rectifications and clarifications. The Pope added that he must therefore repeat that, etc., etc. Towards the end I remarked that I had not abandoned hope of an agreement. France at the moment enjoyed high esteem here, and this in spite of the fact that the Combes secularization legislation³ still existed in that country and that during the Commune priests had been slaughtered by the score. The Pope again interrupted me to say very vehemently that he wished no comparisons to be made, he wished to treat each country individually; in any case the Governments of several countries had persecuted the Church. Towards the end of the audience the Pope became almost elegiac, saying that he had always had the warmest sympathy for Germany and had in consequence frequently been reproached with being too pro-German. Observing my dubious expression, he said that that was truly the case; people said of him that he was the most German Pope for centuries, but in spite of these far-reaching sympathies he could no longer understand the mentality of the new Germany; he would not, however, abandon hope that all would be well in the end. With this the audience terminated after the usual farewells and the presentation of the gentlemen who accompanied me (Prelate Steinmann, Herr Budde; Herr Klee⁴ was on leave).

From the audience I went, as is customary, to call on the Cardinal Secretary of State to convey our New Year's greetings to him also. In return he sent his most cordial good wishes to the Reich Government and particularly to yourself. I then told him at once that during my audience the Pope had made various statements which I could only describe as very unfriendly; I asked him to tell me quite frankly how much of this I ought to pass on. I could talk with him, as an old acquaintance, in a friendly way and in private, but it did not seem to me permissible simply to suppress a Sovereign's statements, particularly when they were as deliberate as were those made to me. The Cardinal replied with surprise that he had no idea that the Pope had intended to make any particular statements to me and asked me for a brief account of them. I then outlined the most

² Don Luigi Sturzo, Catholic priest and leader of the Christian Democratic "Popolari" party, and a determined opponent of Fascism. Following the dissolution of his party by Mussolini in 1926, he was living in exile.

³ Emile Combes, French Minister President, 1902-1905.

⁴ Members of the German Embassy to the Holy See, of which Klee was Counsellor.

important of the Pope's remarks. The Cardinal was obviously taken aback, but could not, of course, express views contrary to those of his master, and he was relieved when I let fall the remark that in these circumstances it would seem best for me to report to you on the audience in the form of a *private* letter. He immediately seized on this idea and suggested that I should give only the main gist without reproducing details or acerbities; it might perhaps be of value to you to learn of the Pope's frame of mind; you, as an experienced diplomat, whom he held in particularly high esteem, would know how such somewhat disjointed [*diskrete*] utterances should be treated.

Last week, at one of the many receptions given for the newly appointed Cardinals, I met the Cardinal Secretary of State, who told me that he had taken the opportunity in a conversation with the Pope about the New Year audiences to ask him what was the tenor of his statements to me and how they should be interpreted; he had written down His Holiness's reply and would let me have it in a German translation. This, after another conversation at yesterday's diplomatic reception, he has now done; the following is the text of the note communicated to me today: "The Holy Father said, with profound emotion, 'We never expected to be treated so by Germany. There must be someone who has said—like Napoleon in his day—that within a few years the Catholic Church in Germany will have disappeared. It is not the Church who will disappear. It has always been the others who have disappeared. When We think of the persecutions, restrictions and obstructions to which the Church is subjected in present-day Germany, We can only say that friends do not behave like this. We are, in truth, deeply grieved and gravely displeased.' " Here, I think, we can let the matter rest.

This episode has shown yet again how Cardinal Pacelli constantly strives to pacify, and to exert a moderating influence on the Pope, who is difficult to manage and to influence.

I myself am no longer taking the Pope's outburst tragically, though naturally it put me in a great rage for the first moment or two: I regard it as a case of "letting off steam" at a diplomat who is always urging calm and restraint and strongly advising against violent public declarations. I much prefer private allocutions of this kind to public ones; nor should it be forgotten that the Pope, as a friendly gesture to me, speaks German, in which he is no longer as fluent as he was in 1925, when he was constantly giving addresses to German pilgrims, and that, as a result, his mode of expression is often much harsher than it would be if the conversation were conducted in Italian.

Mussolini, who, during the sharp conflict that followed the Lateran Treaty,⁵ was most violently attacked and rebuked by the Pope in

⁵ The Lateran Accords concluded with the Vatican on Feb. 11, 1929, were followed by a period of friction and complaints of encroachments by the State.

public, is reported to have said at the time that he was no longer going to get excited about it, and the best thing to do was just to let the old gentleman have his say—in other words, not to react to the papal outbursts. This recipe seems to me to be a good one. I hope that in the immediate future it will also prove possible to avoid an open conflict. The tension, however, remains dangerously acute and if it were to be further aggravated would become critical unless we should wish to provoke an open quarrel, which I assume is not the case. After carefully considering all the possibilities, I can see no advantage in a conflict—either for the State or for the Church. Once we have taken all the measures deemed necessary in Germany, we should, I think, consider how—without resorting to Schlüter's⁶ erroneous, clumsy, impetuous and haphazard methods—a truce doing justice to the interests of the State, and later a tolerable relationship with the Curia, could be initiated and achieved with calmness and dignity.⁷

With best wishes,

Yours etc.,

BERGEN

⁶ Presumably Ministerialrat Schlüter of the Prussian Ministry for Science, Art and Popular Education.

⁷ This document is marked: "Submitted to the Foreign Minister, Jan. 13, 1936"; it bears the following marginal note in Neurath's handwriting: "[H[err] Menshausen: Please discuss. Submit on Monday [i.e., Jan. 20; see document No. 503]. v[on] N[eurath], Jan. 13."

No. 483

3781/E041176-83

Memorandum by an Official of Department II

SECRET

BERLIN, January 6, 1936.

e.o. W IV Ru. 53.

An inter-departmental meeting, convened by the Reich Ministry of Economics, was held on January 4, under the chairmanship of Ministerialdirektor Sarnow, to discuss the further development of German-Soviet commercial relations. Besides the Reich Ministry of Economics, the meeting was attended by representatives of the Foreign Ministry and the Reich Ministries of Finance and Food.

The chairman first called upon Ministerialrat Mossdorf, who gave the following information about the conversations which have so far taken place between President [of the Reichsbank] Schacht and the Soviet Trade Delegate, Kandelaki, and about the pre-conditions for the further development of German-Soviet trade:

The first conversation between President Schacht and M. Kandelaki had taken place on October 30, 1935.¹ At this conversation

¹ See document No. 386.

President Schacht had stressed that he was ready, in future too, to develop German-Soviet trade in a generous way on the basis of a credit to be granted to the Soviet Government. He was prepared to make available to the Soviet Government a credit of 500 million RM for a period of ten years,² this ten year period to be regarded as an average term. Nor had he any objections to refraining from requiring this credit to be secured on a deposit of bills of exchange, or to agreeing to the credit taking the form of a bonded loan [*Obligationskredit*] which, however, must be exclusively applied to the purchase of goods from Germany. The granting of this generous credit was, however, conditional upon two points:

(1) The Soviet Government must discharge the remainder of their debts outstanding to the German Reich, amounting to about 60 or 70 million RM, in full in gold and foreign exchange in the course of the year 1936.

(2) The current trading (supply of Soviet raw materials against German finished products) must not be affected by the Soviet orders to be placed on the basis of the credit. On the contrary, Germany expected the Soviet Union to make, over and above the special orders, current purchases in Germany to the value of about 160 million RM annually, for which terms of credit could be arranged in accordance with the Agreement of June 15, 1932.³ In return, Germany would undertake to purchase raw materials from the Russians to the same amount. The current trading must therefore proceed on a ratio of 1:1. President Schacht had made it unmistakably plain that he would not make foreign exchange available for the purchase of Russian raw materials.

After M. Kandelaki had discussed this programme with the Soviet Government authorities in Moscow—Ministerialrat Mossdorf continued—he had stated, in a second conversation with President Schacht held on December 16, 1935,⁴ that the Soviet Government agreed to the granting of a ten year credit in the form of a bonded loan, to a value of 500 million RM. He had also said that the Soviet side agreed to paying part of the still outstanding Russian debts in gold and foreign exchange. The German side, however, had continued to demand payment in gold and foreign exchange of the whole sum outstanding. Nor had it been possible so far to reach agreement on the exchange of goods by way of a compensation transaction.

On this occasion M. Kandelaki had handed over a strictly confidential list of those Soviet orders which could be made on the basis of the 500 million credit. This list had included:

1. Deliveries of naval vessels, in particular submarines.

² Marginal note in Benzler's handwriting: "Revolving credit."

³ Filmed as 9387/E664576-87; see also vol. II of this Series, document No. 119.

⁴ No other record of this conversation has been found.

2. The closest scientific and economic cooperation with the I.G. Farben Industry; purchase and use in the Soviet Union of I.G. Farben patents.

3. The same cooperation with the German optical industry, in particular with the firm of Zeiss.

The possibility of accepting these Russian desiderata was at present being studied by the economic and military authorities concerned.

On the present state of German-Soviet economic relations, Ministerialrat Mossdorf spoke as follows:

The Agreement of April 1935⁵ had, by and large, come up to expectations. The Russians had met in full their obligations in respect of payments in gold and foreign exchange. The special orders placed by the Russians on the basis of the 200 million credit had, in general, also come up to expectations. Orders to the value of about 80 million RM had so far been guaranteed. In addition there were orders to the value of about 10 million RM⁶ which had not yet been checked. On the other hand, current trading, which was to have amounted to 60 million RM in 1935, had not been satisfactory. So far it had been possible to verify orders to the value of only about 15 to 16 million RM. To this must, however, be added a few millions of cash purchases.

Ministerialdirektor Sarnow said that, in order to understand the guiding principles, which Ministerialrat Mossdorf had described, for the conclusion of a new German-Soviet economic agreement, it was necessary to add that Germany's raw material position was threatened with disaster for lack of Russian raw materials. Germany required raw materials to the value of at least 160 million RM from the Soviet Union, in particular timber, naphtha, feeding stuffs, and manganese ores. Germany's foreign exchange position, too, made a further inflow of Russian gold urgently necessary. These were the cardinal points which caused us to grant the Russians a bonded loan [*Obligations-anleihe*] of 500 million RM to provide them with an incentive to supply raw materials and gold.

Senior Counsellor Roediger said that, from recent discussions with Counsellor of Embassy Bessonov,⁷ he had derived the distinct impression that the Russians were not prepared to pay the whole of their debt in gold and foreign exchange. Bessonov had said that Moscow was prepared to pay only about 25 million RM worth in gold and foreign exchange, while the remainder was to be carried over. At the very most, 40 per cent of the debt might be paid in gold, that was to say about 27-30 million RM. The die had already been cast in

⁵ See document No. 21.

⁶ Marginal note in Ritter's handwriting: "90?"

⁷ See document No. 472.

Moscow about this. Senior Counsellor Roediger then read out a telegram just received from the Embassy in Moscow,⁸ saying that concrete negotiations for the conclusion of a French loan to the Soviet Union, amounting to 1,000 million francs at 6 per cent for a five-year period, were pending and that these negotiations might be expected shortly to lead to a conclusion.

Ministerialrat Nasse (Reich Finance Ministry) said that he was grateful for the extremely interesting statements which had been made and expressed the hope that the Reich Finance Ministry, which was very much interested in the negotiations because of the question of granting a loan, would continue to be kept currently informed.

The project for granting a loan of 500 million RM, of which he had just heard for the first time, involved, in his view, great dangers, and required, at the very least, careful consideration and scrutiny from all sides. His misgivings were primarily concerned with the form and duration of the loan. The danger that a bonded loan would be defaulted upon was undoubtedly greater than the danger that a bill of exchange, accepted by the Soviet Union, would be protested.⁹ The risk which the Reich was taking in giving a guarantee against loss, which was to amount not merely to 70 but to 100 per cent, was therefore incomparably greater than that involved in any credits so far granted to the Russians. Given the strained financial situation of the Reich, a risk of this order could scarcely be borne and the Reich Finance Ministry must reserve the right to raise the question in the Cabinet. The same applied to the ten year average duration of the credit, which would result in the last payments falling due only in about eighteen or twenty years' time. Year by year we had shown ourselves more and more accommodating to the Russians and we had now arrived at a [credit] duration which only a year ago had been rejected as quite undiscussible. When this loan was exhausted the Russians would ask for a further, still more favourable, credit and thus there would arise the danger of an accumulation of long-term Russian credits, since the first repayment of the 200 million credit granted the previous year would only be made in 1940. Thus the Russian debt to Germany might mount up to several thousands of millions of Reichsmark, which, in the view of the Reich Finance Ministry, could not be tolerated.⁹ Moreover, with these long-term credits there was a danger that current trading might stagnate completely.

Ministerialrat Mossdorf said that details of the loan, in particular the technical form of the credit and the raising of the money, had as yet not been discussed at all. The Reich Finance Ministry's wishes in this respect could be fully taken into account. As to the amount and duration of the credit, President Schacht had, however, made a

⁸ Not printed (3781/E041184); this was Moscow telegram No. 2 of Jan. 3, 1936.

⁹ Marginal note: "Correct. R[itter]."

binding promise to the Russians. Nothing could now be done about that.

Ministerialdirektor Sarnow said that he fully appreciated the objections raised by Ministerialrat Nasse, particularly the danger to the Reich and to current trading with Russia arising from an accumulation of credits. We must ensure, whatever happened, that current trading did not come to a halt.

Counsellor of Legation Bräutigam said that the most important aim of the negotiations was to secure the supply of raw materials from the Soviet Union without having to provide foreign exchange. The loan, which was, as it were, the crowning feature of the whole treaty structure, should therefore be granted only if the two other conditions (payment of the remainder of the [Soviet] debt in gold and foreign exchange, and safeguarding current trading) were met. He saw a danger especially in the fact that the Russians, by being granted the loan, would be given such far-reaching opportunities of making purchases in Germany on long-term credits that they would scarcely have any interest in placing short-term orders as well on any large scale. Besides, the incentive to export to Germany would also be lost since the possibilities for utilizing the proceeds would be small. In his view this danger could best be averted by making the Russians undertake to export to Germany annually about 160 million Reichsmark worth of raw materials. The proceeds of these imports would have to be paid into a special foreign account [*Ausländersonderkonto*] which the Russians would be free to use at will within Germany to make purchases of goods and to defray current expenses. Counsellor of Legation Bräutigam further emphasized that it would be expedient to set against the Russian list of proposed supplies a German list of those goods which we wished to supply to the Russians. Here he was thinking particularly of the requirements of the German transport industry, which the Russians had not so far taken adequately into account. Apart from this, it seemed to him expedient to take the opportunity afforded by the negotiations and require from the Russians the settlement of a number of disputes which had been dragging on for years; for instance a satisfactory settlement of the cases of the Kaukasischer Grubenverein [Caucasian Mining Company], the Resch Concession, the Leo Werke Concession, and so on. The Foreign Ministry reserved the right to supply the Ministry of Economics with a list of such cases.

Ministerialrat Schefold (Reich Food Ministry) stressed the Reich Food Ministry's keen interest in the economic negotiations, since the Reich Food Ministry attached particular importance to obtaining food and feeding stuffs from the Soviet Union.

Ministerialdirektor Sarnow closed the meeting by saying that the suggestions would be studied in detail and that the Departments

concerned would be kept currently informed of the progress of the negotiations.

DITTMANN

No. 484

7467/H182798-801

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 4 of January 6

LONDON, January 6, 1936.

Received January 7—1:30 p.m.

II R 23.

I have just had my first official conversation with Eden in his new capacity of Foreign Secretary.¹ The Italo-Abyssinian problem proper was touched upon only in general terms.

I took the opportunity, however, of drawing Eden's attention to the familiar reports in the French and British press to the effect that military and political negotiations are supposed to be in progress between Britain and France about Britain's possibly assuming part of the defence of France should she be exposed to danger from Germany in the event of an Italian attack. I also showed the Foreign Secretary the enclosed Paris report in the *News Chronicle* of January 2,² which gives this information in much detail and has consequently also created a considerable sensation in Germany.

The Foreign Secretary said that he had nothing whatever to conceal and wished to reply with complete frankness. As had indeed already been stated by Laval in his most recent speech on foreign affairs in the Chamber of Deputies,³ Anglo-French talks concerning possible military collaboration in the event of an Italian attack were in fact at present taking place. In the sphere of naval defence, they were concerned with purely Mediterranean questions which had no bearing on security in the north. With regard to defence on land, the talks were still in their initial stage but were in no way concerned with the German-French frontier. Finally, as regards air defence, the talks were primarily concerned with defence against possible Italian air attacks. He could assure me that in none of these three spheres was Britain's assuming the defence of France against Germany under discussion, and that, therefore, reports such as those of the *News Chronicle* from Paris were pure fabrication.

The conversation then turned to the question of the air pact and the British Ambassador's most recent conversation with the Führer and Chancellor.⁴ Speaking in quite general terms, I observed that it

¹ Eden assumed this office on Dec. 22, 1935.

² Not reproduced.

³ On Dec. 28 in a debate held December 27-28.

⁴ See document No. 462.

had really not been very opportune to question the Führer about Germany's attitude to the air pact at a time when it was, indeed, clear to all that, in view of the present state of conflict, the air pact could not for the moment be realized in the projected form. Eden admitted that in point of fact there was at present hardly any prospect of realizing this pact.

I then criticized the idea, known to have originated with the French and subsequently also put to the Reich Chancellor by Phipps, of supplementing the air pact by bilateral agreements of a military character, I too, as the Führer had done, pointed out that such Anglo-French and Franco-Italian agreements would brand Germany as the presumptive aggressor; I asked whether Britain would perhaps also consider establishing air bases in Germany against a French attack.

Eden was in full agreement with my objections. He emphasized that the Locarno idea, into which the projected air pact had, as we were aware, been fitted, must be maintained inviolate and that, therefore, bilateral agreements could at most only be considered if they were concluded in the same way and the same terms between all the parties concerned. Nor did he fail to point out the difficulties, both technically and conceptually, which such parallel agreements would involve. In reply, I observed that Sir Samuel Hoare, too, had begun by taking the same view but that he had then, step by step, allowed himself to be diverted from his original views by the French. Eden thereupon announced that he was determined to leave France in no doubt that the Locarno balance must be preserved in the air pact too.

The Foreign Secretary added that what had surprised him in Sir Eric Phipps' account of his conversations with the Führer and Chancellor had been not so much the Chancellor's opposition to the bilateral agreements and his general scepticism as to the present feasibility of the air pact, but rather the attitude he appeared to have adopted that the Franco-Russian Convention had made it impossible for Germany to associate herself at all with the air pact. He (Eden) was bound to regard this as a new departure in German policy, since hitherto Germany had drawn no such conclusions from the Franco-Russian Treaty. He had accordingly instructed Phipps to clarify this point as soon as possible with the Reich Foreign Minister.

Eden then asked me to call on him again shortly for a further conversation. He added an assurance that he was assuming office without any prejudice against or preference for any one State rather than another and that he would consider himself fortunate if he were to succeed in further improving German-British relations and also in promoting the tripartite relations between Germany, Britain and France.

HOESCH

No. 485

8015/E576325-30

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 2 of January 6

ROME, January 7, 1936—1:00 p.m.

Received January 7—5:05 p.m.

III O 126.

Mussolini received me this afternoon, after I had let him know that I would be in Berlin in the middle of next week. He said it would be useful for him to discuss the whole political situation with me, in order that I might report on it orally to the Führer. Future developments in the political conflict over Abyssinia were as yet completely unpredictable, now that the Laval-Hoare proposals had been buried; he could discern no fresh possibilities of an understanding at present. The danger of such attempts to reach an understanding lay in the fact that, while the guns were still speaking (and must continue to speak), negotiations at the conference table would already be in progress. Nevertheless, he might perhaps have accepted the proposals as a basis for negotiations if the clarificatory enquiries he had made in Paris and London had been answered and had not already been rejected *de facto* by referring to the storm which the proposals had aroused. Whether Eden would be more moderate now that he was Foreign Secretary, he would not venture to judge. If the League of Nations were to decide on a petroleum embargo, Italy would withdraw from the League of Nations; if not, then it was possible that he would allow himself to be represented at Geneva. America's attitude in this question was as yet obscure; Roosevelt's speech,¹ however, was unsympathetic and presumptuous *vis-à-vis* authoritarian Governments. Mussolini then said that he wanted to review the international situation, beginning with the East. Relations with Soviet Russia had greatly deteriorated, since it was becoming ever clearer that Bolshevism was largely behind the anti-Italian campaign. It was incomprehensible how, in many countries and especially in Britain, the threat of this heavily-armed Soviet State was not recognized; in this connection I made a few comments about the resultant requirements for the German Wehrmacht. With regard to Poland, he said, Italy was rather disappointed, because Poland was, after all, pursuing a vaguely League of Nations policy; nevertheless, she was continuing to supply coal because she wanted to get the ships built for her in Trieste. The Mediterranean question was becoming more and more decisive, since Britain was attempting to bring about an Eastern Mediterranean

¹ The reference is to Roosevelt's Message to Congress of Jan. 3, 1936; for the text see *Congressional Record*, vol. 80, Pt. 1, pp. 9-12.

coalition in addition to the League of Nations coalition against Italy. Yugoslavia, with the greatest reluctance and disquiet, had answered the British enquiry² more or less in the affirmative. Greece was plainly Britain's vassal. For Turkey, the enquiry had been very awkward, and she had given an extremely involved answer, so full of "ifs" and "buts" that Aras³ himself described it as a masterpiece. In themselves, the strength of these three States caused Italy little concern. Ultimately, everything depended on France; the honeymoon with France was pretty well over, she wanted to keep too many cards in play and was balancing uncertainly between the various factors. In the Far East, Japan was probably more favourably than unfavourably disposed towards Italy, particularly the military party, although certain intellectual circles held a Coloured Races ideology. Finally, where Britain herself was concerned, it must be said that relations had deteriorated so completely that it would take a very long time to get them back to normal.

As far as Germany was concerned, he fully appreciated her neutrality, which he described as benevolent. This being so, he thought it would now be possible to achieve a fundamental improvement in German-Italian relations and to dispose of the only dispute, namely, the Austrian problem. Since we had always declared that we did not wish to infringe Austria's independence, the simplest method would be for Berlin and Vienna themselves to settle their relations on the basis of Austrian independence, e.g., in the form of a treaty of friendship with a non-aggression pact, which would in practice bring Austria into Germany's wake, so that she could pursue no other foreign policy than one parallel with that of Germany. If Austria, as a formally quite independent State, were thus in practice to become a German satellite, he would have no objection. He saw in this great advantages for Germany as well as for Italy, in that Germany, as already stated, would acquire a reliable satellite, while at the same time German-Italian mistrust would be eliminated and all Danubian Pact machinations frustrated. Should this not come about, then it was to be feared that Austria, who was beginning to doubt Italy's ability to help her at the decisive moment, would be driven to side with Czechoslovakia and thus with France. I replied that these remarks were of very great interest to me; had I rightly understood him to mean that Italy would not oppose, either directly or indirectly, a settlement of German-Austrian relations on the basis of formal independence and close German-Austrian cooperation in foreign policy? Mussolini expressly confirmed this. I went on to say that all kinds of doubts stood in the way of this being realized, e.g., the

² For this exchange of views see the memorandum transmitted by the British Foreign Secretary to the Chairman of the Coordination Committee on Jan. 22, 1936, printed in League of Nations: *Official Journal*, Special Supplement No. 150, pp. 332-333.

³ Tewfik Rüstü Aras, Turkish Foreign Minister.

proclivities of those at present in power in Vienna, the already existing flirtation with Czechoslovakia, the Habsburg party, the attitude of France and of Czechoslovakia towards such a policy and, finally, the attitude of the Vatican, which viewed Austria as something in the nature of a German citadel against the Third Reich. Mussolini replied that Austria's present position was difficult enough to encourage those in power there to clarify relations with Germany; they only desired to make sure of retaining formally unconditional independence. In the event of such a settlement, neither Czechoslovakia nor France would have any pretext for intervening; he had, moreover, advised Schuschnigg against going to Prague now.⁴ He did not believe in a Habsburg restoration. Finally, he was convinced that the Vatican would do nothing to oppose it, again provided Austria remained an independent State. I concluded the discussion on this subject with the remark that I would report on it in detail to the Führer.

I then asked what news he had of the state of Anglo-French military arrangements, and made a few remarks about the constant reappearance of the "Stresa" concept and the concern aroused in Germany by reports of positive Franco-Italian military air agreements. Mussolini thought that a military arrangement between France and Britain had not as yet progressed as far as was often asserted, because both were making demands but were unwilling to make concessions. Nevertheless, increasing Anglo-French solidarity was to be expected. He even believed that there was a secret political pact. As far as a Franco-Italian air arrangement was concerned, it was a matter of General Staff discussions which could have no real significance without political pacts, which did not exist. Basically, therefore, they were, in view of the present situation, pretty well liquidated. He had, for that reason, had enquiries made in Paris as to how the result of the Valle-Denain⁵ and the Badoglio-Gamelin⁶ conversations stood in relation to the new Franco-British agreement and how they could now be reconciled with it. Stresa he regarded as dead and buried once for all. The revival of such ideas could, in his opinion, only be considered in the form of a Five Power agreement, in which Poland would have to be the fifth, if only as a safeguard against Soviet Russia.

In discussing further developments and possibilities, Mussolini took a fairly optimistic view of the financial aspect and the effects of sanctions. In spite of everything, he would . . . (group mutilated) to avoid a war with Britain. Nor did he believe that Britain wanted to

⁴ Schuschnigg visited Prague Jan. 13-16, 1936.

⁵ General Denain, the French Air Minister, visited Rome May 10-14, 1935, for discussions with Under Secretary of State Valle. The German Air Attaché in Rome reported on May 16 that it was to be assumed that the draft of a Franco-Italian Air Pact had been thoroughly discussed in all its technical and military details and in its forms of application but that it had not yet been concluded (M274/M011430-34). See also the *Berliner Tageblatt* of May 12, 1935, and document No. 106 with footnote 10 thereto.

⁶ See document No. 373 and footnotes thereto.

attack Italy. Nevertheless, one must certainly take into account the possibility of war breaking out even without this being directly desired by the Governments concerned. In the event of a clash, the British would suffer heavy losses, even though in the long run, of course, British superiority was indisputable. I pointed out that Britain, for various reasons, would no doubt be very apprehensive about incurring such losses; this he confirmed, drawing attention to the strength ratios in the various seas and to policy on the native question. I then observed that the world preferred to bow to accomplished facts and that clear military successes for Italy were doubtless the most important thing at present. Mussolini said he was convinced of this and he definitely hoped that, once regroupings and preparations had been completed, decisive strokes would no longer be far off.

Throughout the conversation Mussolini gave the impression of being rather tired, but very definite and resolute. His remarks about Austria were obviously the central point of his observations. He has evidently spoken in a similar sense to Attolico, who is staying here. I propose to arrive in Berlin on January 16 for oral discussions.

HASSELL

No. 486

6114/E454450

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 3 of January 7

ROME, January 7, 1936—1:00 p.m.

Received January 7—3:20 p.m.

II Oe. 93.

With reference to my telegram No. 2 of [January] 6.¹

From my conversation with Ciano and Attolico, with whom I dined last night, the following points of interest emerge:

(1) Ciano, who had recently returned from Africa, did not share his father-in-law's optimism regarding early military successes.

(2) I told Ciano, who had obviously been informed of Mussolini's statements to me, that if an understanding between Berlin and Vienna were really desired and were to be announced together with our non-intervention, then those in power in Austria must receive the impression that Italy really desired such understanding between Vienna and Berlin. Ciano agreed with this, underlined the importance of Mussolini's statements, which accorded with the views he had himself constantly advanced, and spoke critically of Suvich, whom he opposes and to whose position he aspires. Attolico, on the other hand,

¹ Document No. 485.

thought that Suvich's independence of mind was much exaggerated; Suvich would now carry out Mussolini's will to the letter over Austria too. His resignation (which, in itself, Attolico, too, would probably welcome) was neither likely nor desirable at present; one did not change horses in mid-stream.

(3) Attolico hinted that it would be expedient for all National Socialist agitation emanating from the Reich against Austria to cease.

I, in turn, emphasized that Austrian National Socialism was an indigenous growth and that it was necessary for the will of the people in Austria to be given free rein.

HASSELL

No. 487

6114/E454457-60

Memorandum by an Official of Department II

[BERLIN,] January 9, 1936.
zu II Oc. 93.¹

Concerning Mussolini's proposal to Herr von Hassell,² the following may be said:

1. Origin and object of the proposal.

The proposal may have resulted from Mussolini's fear that Austria no longer has confidence in Italy's strength and is therefore going over to the Franco-Czechoslovak camp. The proposal may be considered to have a dual aim:

(a) A renewed attempt to solve the Austrian question in the Italian sense and thus to continue to be able to exert influence on Austria.

(b) The intention, by initiating negotiations between Germany and Austria, of diverting the attention of the other Great Powers to Central Europe, and particularly to Germany, and thereby favourably influencing their attitude to Italy in the Italo-Abyssinian conflict.

2. Contents and scope of the proposal.

Mussolini's offer does not mean any real progress for us in the Austrian question. The Duce in no wise figures as an "honest broker" in making his proposal. From the German point of view, the following may be said:

A reconciliation between the two German States through the mediation of a third Power must in principle be rejected. The proposal that we should once again recognize Austria's independence and should conclude a non-aggression pact with Austria is entirely of a

¹ Document No. 486.

² See document No. 485.

piece with the suggestions made by Italy and Hungary as early as August and November 1934³ and rejected by us at that time. To accept the proposal would mean, in practice, committing the Reich, within the framework of a bilateral treaty, to the principles of non-intervention and non-aggression *vis-a-vis* Austria formulated in the Danubian Pact. The Italian suggestion of bringing about an understanding between Germany and Austria merely in the field of foreign policy, deliberately by-passes the crux of the German-Austrian conflict, which lies within the sphere of domestic policy. The conclusion of the proposed treaty would not, therefore, as Mussolini would have us believe, result in Austria's being drawn into Germany's wake, but would simply mean that National Socialist Germany recognized the régime at present obtaining in Austria. By this treaty we would renounce our, at present, extremely effective dynamic moral influence on the shaping of internal political conditions in Austria and thus destroy the chance of a change in the present form of government in Austria for the foreseeable future.

3. *Treatment of the proposal.*

Mussolini's proposal should therefore be rejected in the politest possible manner.⁴ Dilatory treatment of the matter is scarcely to be recommended, since this would give the Italians time to intrigue in Paris and London on the pretext that we wanted to exploit the current situation by undertaking a campaign against Austria's independence—a suggestion which, after the withdrawal of the Italian divisions from the Brenner, might not be without effect. The answer must therefore be given as quickly as possible and be quite clear. In it, it should be explained that, as regards relations between the Reich and Austria, the Führer and Chancellor's speech of May 21, 1935,⁵ is decisive. In it he said:

"Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria, or to conclude an *Anschluss*. The German people and the German Government have, however, the very comprehensible desire, arising out of a simple feeling of solidarity due to a common national descent—namely, that the right to self-determination should be guaranteed, not only for foreign nations but to the German people everywhere."

By this declaration, Austria's independence has been unequivocally recognized and any intention of attacking Austria shown to be out of the question. Treaty obligations are, therefore, unnecessary in this connection. The idea that it should be in any way necessary to

³ See vol. III of this Series, documents Nos. 150, 152, 266, 310 and 317.

⁴ The document here printed has been damaged by fire; a handwritten insertion which appears at this point is no longer legible.

⁵ See Editors' Note, p. 171.

conclude a non-aggression pact between the two German States is, in our eyes, monstrous. Finally, it might be added that the Reich Government have no intention of further burdening the international atmosphere, already laden with controversial issues, by raising a further problem such as the German-Austrian question. On the contrary, our desire is to keep Central Europe out of the present tensions.

[To guard against any Italian account, of a nature detrimental to us, of the steps taken by Mussolini, we should perhaps inform the Governments in London, Paris, Vienna and Budapest confidentially of Mussolini's proposal and of our attitude. At the same time, whilst drawing attention to Schuschnigg's visit to Prague on January 16,⁶ which, according to some reports, is to be followed by a visit to London, it might be added that we expect the Governments concerned to acknowledge our attitude (which is prompted solely by our concern that peace should be maintained in Europe) by refraining from themselves taking any initiative over, or allowing any action to be taken in, the question of the Danubian region, which might aim at a settlement without us or against us.

In conclusion, the interested Missions in Europe and the Embassies in Washington, Ankara and Tokyo should be informed.]⁷

A[LTENBURG]

⁶ Schuschnigg visited Prague on Jan. 16 and 17, 1936; see also document No. 543.

⁷ Marginal note: "Has been submitted to the Foreign Minister, who has agreed in principle except for the portion marked with square brackets [i.e., the last two paragraphs]. The matter is to be discussed with Herr v. Hassell and the Führer. To be filed. A[ltenburg], Jan. 12[?]."

No. 488

8640/E605020-28

The Minister in Austria to the Führer and Chancellor

A 192

VIENNA, January 10, 1936.

Received January 11.

II Oe. 144.

Subject: An attempted regrouping in Austria. Discussion with Starhemberg.

Three copies for the Foreign Ministry.

The obvious deterioration in the Italian situation makes it appear advisable, both to the Austrian Government themselves and to other interested Powers, to provide Austria with some other reinsurance against National Socialism.

This problem is primarily of interest to the Vatican. A report which Cardinal Pro-Nuncio Sybilla [*sic*] sent his Secretary of State on

December 21, 1935, and on which I have authentic first-hand information from a strictly confidential source,¹ contains the following:

"The collapse of the Laval-Hoare mediation proposal means, where the Central European situation is concerned, that the Austrian position in the Danubian region, particularly *vis-à-vis* Germany, has become very much weakened." The Vienna Government would have to give up hope of a restoration of the Stresa front. Austrian policy would as a result be forced into the position of having to seek either a far-reaching *rapprochement* with the States of the Little Entente or an understanding with the German Reich. The Cardinal Pro-Nuncio noted "with satisfaction" that the Austrian Federal Government obviously preferred the alternative of a *rapprochement* with the Little Entente; but on the other hand Vienna was still endeavouring not to close the way to a settlement with the German Reich altogether.

"Those responsible for the conduct of Austrian foreign policy"—to quote verbatim from the Cardinal Pro-Nuncio's report—"have decided, in accordance with the express wish of the Holy Father, to choose the way of closer cooperation with Czechoslovakia, admittedly in the justifiable expectation that the Prague Government will completely change their previous intransigent attitude in the restoration question. Apart from this, the Austrian Federal Government have also realized in good time that the vital interests threatened by Germany are common to both States, and have declared themselves ready to organize and carry out jointly with the Czechoslovak Republic a defensive campaign against German National Socialism in accordance with a carefully prepared plan. It is, however, gradually becoming apparent that even the Austro-Czechoslovak *rapprochement* is encountering serious difficulties, which in turn must be regarded as the direct results of British-Italian tension. While Czechoslovakia bases herself, unconditionally and without reservation, on a League of Nations policy, Austria is still trying to maintain her alliance relationship with Italy and, at the same time, to avoid any dangerous clash with Geneva or with Great Britain."²

The Cardinal Pro-Nuncio further states that "he has considered it proper to counsel the Austrian Federal Chancellor, Dr. Schuschnigg,

¹ The confidential report in the files of the Vienna Legation (4939/E272791-95) which has been largely incorporated in the document here printed, gives no indication of origin but purports partly to summarize, partly to quote verbatim from, two reports by Cardinal Pro-Nuncio Sibilila, the first dated Dec. 21, 1935, to Cardinal Secretary of State Pacelli, the second, dated Dec. 23, to the Vatican Secretariat of State.

² The two above paragraphs, including the quotations, are taken directly from the report cited in footnote 1 above, which at this point includes the additional passage: "Cardinal Pro-Nuncio Sibilila takes the view that the failure of the Hoare-Laval peace proposal and the consequent further aggravation of the Anglo-Italian differences 'mean an ominous aggravation of the whole European situation, which will compel Austria, too, plainly to show her colours.' The Cardinal Pro-Nuncio further informs Cardinal Secretary of State Pacelli that . . ."

in the name of His Holiness, to conduct Austria's foreign policy in accordance with the following principles:

(I) An explicit and unambiguous orientation towards Great Britain and France, so long as these two Powers pursue a *joint* League of Nations policy;

(II) Reconstitution of the self-contained [*in sich geschlossenen*] economic region of the former Austro-Hungarian Monarchy, that is to say, in the first place, an unconditional *rapprochement* with the States of the Little Entente;

(III) Mediation between Hungary and the Little Entente;

(IV) Active participation in the endeavours being made from Paris and Prague to bring about an understanding between London and Rome.³

[“]The Hungarian Government are striving, with great tenacity, to bring about a German-Polish-Hungarian-Italian bloc and are definitely inclined to renounce any cooperation with Austria rather than give up this plan. The Hungarian Government regard an understanding between Austria and Czechoslovakia as no less than a downright betrayal by Vienna of the common cause; nor are they in any circumstances prepared to renounce their revisionist thesis. The Budapest Government are, moreover, fully determined to continue to maintain their previous policy towards Italy, even at the risk of the League of Nations deciding, under pressure from Great Britain, to extend the application of sanctions to Hungary. Furthermore, Hungary, as far as she is represented by Gömbös and his immediate adherents, is definitely opposed to a Legitimist solution of the Austrian, and especially of the Austro-Hungarian, problem.

[“]The divergence between Gömbös and Schuschnigg (not Starhemberg!) in all important problems of international and European policy is so great that the Austrian Federal Chancellor has felt compelled to request me to draw Your Eminence's attention to the fact that two States so markedly Catholic as Hungary and Poland are supporting certain of the National Socialist Third Reich's plans which are in obvious contradiction to the principles which, in accordance with the suggestions of the Holy See, Austrian foreign policy has made its own.”⁴

³ At this point the confidential report cited in footnote 1 above contains the following additional passage: “Cardinal Pro-Nuncio Sibilis, in his report (of Dec. 23, 1935) to the Secretariat of State of the Holy See, feels compelled to draw attention to the ‘considerable differences’ to be observed between Vienna and Budapest over the following questions: (1) Relations with Germany, (2) Relations with the States of the Little Entente (revision question), (3) Relations with Italy and with the League of Nations (sanctions question), (4) Habsburg restoration.

⁴ At this point the confidential report continues: “The Austrian Government were proud to be able to serve the purposes of the Holy Catholic Church, and it would afford them especial pleasure if this were to be *expressly recognized* by the Vatican. The Austrian Federal Government would further consider it as a *very special mark of recognition by His Holiness* were the Vatican in some manner or other to dissociate itself from the attitude towards National Socialist Germany adopted by Hungary and Poland.” Cardinal Pro-Nuncio Sibilis finally asks the Secretariat of State of the Holy See for information as to whether the Vatican contemplates taking any action towards inducing the Hungarian Government to change their views over the Restoration question.”

The tendencies which are apparent from this report are being strengthened by the pressure which, particularly during the last few days, the French Minister⁵ here has been exerting on the representatives of the Little Entente for the conclusion of a kind of pact of friendship with Austria. The Yugoslav Minister⁶ is, now as ever, making efforts to secure at least a postponement of a visit by Baron Berger to Belgrade. The French Minister in Belgrade, Count Dampierre, who was staying here yesterday, told one of my acquaintances that the Quai d'Orsay were hoping that Hungary would become reconciled to a closer relationship between Austria and the Little Entente.

The Quirinal's attitude to the attempts to reorientate Austria still appears to be somewhat doubtful. The Palazzo Chigi are certainly working in this direction. They are placing all their hopes on the French card and would, in return, be prepared to accept a reduction of Italian influence and an increase of French influence in the Danubian basin. On the other hand, they consider their own situation to be less in jeopardy than it is thought to be here and elsewhere. The present British-French naval arrangement in the Mediterranean is attributed chiefly to the desire of the British to be able to send a large part of their units home for a short period. It is said to be definitely true that the temper of the ships' crews lying idle off Alexandria, though not undisciplined, is nevertheless pretty bad. An oil embargo, if decided upon at an early date, would have no immediate effect in view of the stocks which have in the meanwhile been accumulated. Mussolini, who, it is said, is of this opinion, therefore believes that there is no reason for Austria to reorientate herself; moreover, he does not at present wish to anger Germany, which would be the case if Austria, under pressure from Italy, were now to enter into closer relations with Czechoslovakia. I learn from the same source that Mussolini has counselled moderation in the Restoration question too (in complete contrast to the Vatican, who are pressing this question if only on account of their bad relations with Starhemberg).

My Polish colleague⁷ is of the opinion that the Government here are in fact making every effort, with the assistance of France and the Vatican, to achieve friendly relations with the Little Entente. But he naturally doubts whether the Hungarians will be taken in by this manœuvre—else they would be renouncing all national aims, particularly *vis-à-vis* Czechoslovakia. Nevertheless he considered it advisable to request his Government emphatically to invite attention in Budapest to the prospective Austrian manœuvre.

Polish-Czech relations have, as he further informed me, in no way

⁵ Gabriel Puaux.

⁶ G. N. Nastasijević.

⁷ Jan Gavronski.

improved. The hopes placed in Minister President Hodža⁸ have not been fulfilled.

It is clear that when it is a matter of forming a common front against National Socialism, the Czechs will join in, and they are therefore warmly welcoming Schuschnigg's visit.⁹ I was informed today that M. Hodža, on his way back from Rome, took a later train here and had a conversation with Baron Berger. I am having this report verified; the fact would in any case be significant for the attempts which are being made.

A talk which I had this afternoon with Prince Starhemberg on the subject of the Olympic Games gave me the opportunity of discussing the whole situation with him in a conversation lasting about an hour. I put it to him that—no matter how the Italian conflict ended—in consequence of Italy's being more or less seriously weakened and of the position of the German Reich, which was daily growing stronger, a European regrouping must take place. It was obvious that the Bolshevik-Jewish-Freemason front wished to destroy first Fascism and then National Socialism. (Prince Starhemberg admitted that this view had been quite unambiguously set forth to Herr von Berger in Geneva.) No matter what, for reasons of domestic policy, Austria's present attitude to the German Reich might be, she must, for the sake of a common front, at the bottom be on Germany's side. It was therefore incomprehensible that the Austrian Government should bow to French-Vatican pressure, should be seeking fresh reinsurance against National Socialism, and should wish to let themselves be included in a fighting front to be drawn up in Central Europe against the German Reich.

Prince Starhemberg explained to me at length that Austria was only being driven into the anti-German front by an urge for self-preservation and for keeping her independence. He would be prepared to withdraw from this front today if he could obtain from Germany a frank and honest recognition of Austria's independence. Upon my asking whether the ties with Rome would not prevent a reorientation of Austrian policy, he replied: "Of course we would have to discuss a settlement of German-Austrian interests with Mussolini. We shall do nothing without him, but our interests, i.e., Germany's, Austria's and Italy's, so obviously lie in the same direction, that I am certain of Mussolini's approval." I replied that Mussolini had so far not raised this question, which we found understandable in view of his sensitive relations with France, and that tomorrow Mussolini would probably, out of consideration for the Quai d'Orsay, refuse to enter into a tripartite discussion of the Austrian question. This Starhemberg denied. He is of the opinion that Mussolini should, at any rate, be

⁸ Milan Hodža had become Czechoslovak Minister President on Nov. 5, 1935.

⁹ Schuschnigg visited Prague on Jan. 16 and 17, 1936; see document No. 543.

sounded and that there was, after all, no need to make the discussion public.

In reply to my further question as to how Prince Starhemberg envisaged the settlement of German-Austrian relations, he said that agreement must be reached in preliminary discussions on the removal by stages of all differences, and that he would be prepared to cooperate in this. Quite obviously the pressure exercised by France in the direction of Prague is very uncongenial to him, and he is aware of the great danger which lies at the end of such a political development.

Despite all scepticism in regard to the Prince, I must say, to be perfectly truthful, that he spoke of the Führer with marked admiration; "He has the credit of being the first statesman to have recognized the danger to the world of a Bolshevist-Freemason front and to have fought against it uncompromisingly."

The discussion, from which there also emerged his aversion to political Catholicism in Austria, ended with his remarking that he would speak to Herr von Berger and Herr Schuschnigg during the next few days and would inform me of their views.

Unless I am otherwise instructed by you,¹⁰ I shall continue in this sense and shall, in particular, try to strengthen the opposition in the Government here to the line urged by the Quai d'Orsay and the Vatican.

PAPEN

¹⁰ Neurath replied in telegram No. 3 of Jan. 15 (8640/E605016) as follows: "Ambassador von Hassell is shortly coming to Berlin [see document No. 506] and will presumably be able to supply fresh information on the present Italian attitude to the Austrian question. You should therefore act cautiously and, as regards Starhemberg, await further instructions." On Jan. 16 Mackensen in Budapest was informed of these instructions to Papen by a letter from Renthe-Fink (8640/E605017) which enclosed a copy of the document here printed.

No. 489

6025/H047398-99

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

No. 8 of January 11

Moscow, January 11, 1936—11:15 p.m.

Received January 12—12:30 a.m.

IV Ru. 165.

The Deutsches Nachrichtenbüro have received, from their representative in Moscow and from Tass, reports on the foreign policy part of Molotov's speech.¹

Compared with Molotov's speech before the Seventh Soviet Congress

¹ On Jan. 10, 1936, to the Central Executive Committee. Schulenburg reported in more detail on Molotov's speech in Moscow despatch No. 48 of Jan. 13 (9458/E667343-50). The DNB release is filmed as 6025/H047386-93. Extracts from this speech are printed in *Soviet Documents on Foreign Policy*, selected and edited by Jane Degras (London, 1953), vol. III, pp. 151-158.

in January 1935,² a marked increase in arrogant boastfulness is noticeable, and this is backed up by the announcement of substantial increases in the military estimates.

Where Germany is concerned the tone has, if anything, become sharper. Admittedly Molotov begins by declaring that he desires an improvement in relations between the two States, but, on the other hand, he indulges in particularly sharp attacks, both direct and indirect, on Germany. He speaks of "criminal propaganda for the conquest of foreign territory" conducted by the National Socialists, with imitators in Poland and Finland. The German Government have, he says, remained silent in face of the references made in his speech before the Seventh Soviet Congress to anti-Russian statements in *Mein Kampf*. This confirms that these statements still hold good. The German argument that Germany and Russia have no common frontier is not valid, since Germany is feverishly preparing to dominate the Baltic and has developed special relations with Poland. Germany's expansionist policy does not threaten only the Soviet Union. German Fascism does not confine itself to plans but is preparing to act in the near future. Fascism has converted Germany, "which has fallen into its hands", into an armed camp which is threatening a peaceful neighbour like Czechoslovakia with all the horrors of modern air and gas warfare. Molotov then turns somewhat abruptly to the German-Soviet Credit Agreement of April 1935,³ which he cites as proof of the "contradictory situation in Germany". Despite Germany's anti-Soviet campaign, the Agreement was concluded on "Germany's initiative" and is being successfully utilized. Last month the German Government proposed to the Soviet Union a still larger credit with a ten-year duration. The Soviet Union do not run after foreign credits, but will not refuse to consider a business proposition. It is in accordance with Soviet policy to develop trade relations with other countries, irrespective of the régimes obtaining there. This also serves the interests of the German people. It is, however, for the German Government to draw the practical conclusions from this.⁴

Side by side with vehement attacks which betray nervousness in view of Germany's increasing political weight, there is the statement of readiness for economic cooperation. To what extent this is a

² On Jan. 28, 1935; see also vol. III of this Series, document No. 514.

³ See document No. 21.

⁴ A memorandum by Dittmann dated Jan. 14 (6690/H097937), reads "Ministerialrat Mossdorf told me today that he had meanwhile had an opportunity of speaking to President Schacht about Molotov's pronouncements about German-Soviet economic negotiations. President Schacht considered that Molotov's pronouncements were not only a blatant indiscretion but were also false. It was not he who had approached the Russians with the offer of a long-term 500 million credit; the initiative had, on the contrary, come from the Russians. President Schacht asked, however, that no representations should be made through diplomatic channels. He would merely draw his own conclusions from Molotov's attitude and, now that M. Molotov 'had taken the negotiations into his own hands', would for the time being make no further approach to M. Kandelaki about continuing the negotiations."

tactical step designed to influence other States, remains an open question.

SCHULENBURG

No. 490

6890/H097940-41

Memorandum by an Official of Department II

SECRET

BERLIN, January 11, 1936.
e.o. W IV Ru. 196.

At a meeting which took place on January 4 in the Reich Ministry of Economics,¹ the Departments concerned were for the first time informed *officially* and in confidence that negotiations were in progress between President of the Reichsbank Schacht and the Trade Delegate of the U.S.S.R., M. Kandelaki, regarding the granting of a German bonded loan to the Soviet Government. This loan is to be to the value of 500 million RM with an average term of ten years. The Reich Ministry of Economics stated that this loan was necessary for Germany because she depended on substantial imports of raw materials from the Soviet Union but had at the same time to conserve the Reichsbank's foreign exchange.

There is no doubt that the granting of a bonded loan of 500 million RM, with a duration under which the last payments will only be made in about eighteen years' time, is not only of economic but also of very great political significance. The loan would be a proof of confidence in the long-term political and economic stability of the Soviet Government such as no other State has probably given as yet, at least not in so concrete a form.

That the proposed loan should materialize is, therefore, very desirable for the Soviet Government, from both the political and the economic angle. There is, however, no need to emphasize that such an agreement deviates considerably from the political line which the Reich Government otherwise follow *vis-a-vis* the Soviet Government as the stronghold of Bolshevism and the deadly enemy of National Socialism. Undoubtedly, therefore, the granting of this loan will meet with much criticism abroad. Within Germany, too, the proposed agreement will be received by large sections of the population not only with great astonishment but also with incomprehension. Such repercussions are to be expected, not only because of the press campaign in both countries, which has of late become harsher in tone, but particularly in view of the disapproving attitude of the German newspapers—if not in the wording, at all events in the presentation of

¹ See document No. 483.

their reports—towards the Franco-Russian loan negotiations. Yet in the latter case the amount involved is far less than that under discussion between Germany and the Soviet Union.

Should it—and this can only be judged by the Reich Ministry of Economics—be a matter of vital economic importance that the Soviet Government be granted a bonded loan of 500 million Reichsmark, with an average term of ten years, this step must be prepared for in good time by appropriate propaganda. Above all, for the time being loan negotiations between the Soviet Government and third States, though they may be assessed in our press from the economic point of view, should not be subjected to derogatory criticism. Furthermore, anti-Soviet propaganda should for the time being be so conducted as not to show the Soviet Government's economic position and stability in too unfavourable a light.

HENCKE

No. 491

8456/E595609-19

The Chargé d'Affaires in Belgium to the Foreign Ministry

A 18

BRUSSELS, January 11, 1936.

Received January 13.

II Bel. 60.

Subject: The expulsions from Eupen-Malmédy and German-Belgian relations.

With reference to my telegram No. 1 of January 10.¹

I

When I called on Minister President van Zeeland yesterday he opened the conversation by saying that he had attached particular importance to personally handing me the Belgian Government's reply² to our Note of protest of December 18, 1935,³ concerning the expulsions from Eupen-Malmédy. For one thing, he wished thus to avoid the conclusion being drawn from the wording of the Belgian reply—which, owing to the legal nature of the matter, could not but be worded tersely and drily—that Belgium did not attach sufficient importance to the German Note of protest. He also wished to take this opportunity to make certain proposals to me, with the request that they be transmitted to the German Government, from which it would be apparent that the Belgian Government earnestly desired to take the German point of view concerning the Belgian Deprivation of

¹ Not printed (8456/E595606-08).

² Not printed (8456/E595620-21).

³ Instructions for such a protest had been given in telegram No. 70 to Brussels of Dec. 17 (8456/E595553-55).

Citizenship Law and the recent expulsions into account, and to make the resultant discussions the basis for a general discussion of German-Belgian relations from which a lasting improvement of these relations might ensue. After having once again set forth the reasons which had made it inevitable that the Belgian Government should decree the four expulsions—in which connection M. van Zeeland mentioned as a new reason the fact that, after the verdict had been given at Liège, the expelled persons had vaunted the protection of the German Government and had declared that the Belgian Government could not do anything to them—M. van Zeeland, with the aid of a written memorandum lying before him, explained the proposals to which he had previously referred:

(1) The German Government had stated in their Notes⁴ that the Deprivation of Citizenship Law of July 30, 1934, constituted a violation of the provisions of the Treaty of Versailles. The Belgian legislators did not share this view. As this was a case of a conflict of opinion, and as agreement could not be reached through diplomatic channels, the only possibility of reaching a settlement would seem to be to appeal to an international court of justice, which indeed had been provided for in the Arbitration Convention concluded between Germany and Belgium as part of the Locarno Treaties.⁵ It would, of course, be preferable if by means of the proposals he was presently going to make another settlement could be reached on this point too. But the Belgian Government would accept without ill-feeling (*amertume*) an appeal by Germany to the Locarno Court of Arbitration, and would willingly submit to its judgement.

(2) The German Government considered that the Belgian Government's action in applying the Deprivation of Citizenship Law and in carrying out the expulsions in December showed an anti-German bias. Without going into the arguments brought forward by us in this connection, he could only say in reply that the Belgian Government were more concerned today than ever that friendly relations with Germany should be preserved and extended. In Belgium, German culture was looked on as being one of the three cultures represented in the country and was esteemed accordingly. The Belgian Government would be glad if, by extending cultural relations with Germany, they could dispel the suspicion that their policy had an anti-German bias. In this connection he would repeat what he had told me in our conversation of December 19 (see my telegram No. 43 of December 19),⁶ namely, that he was at all times prepared to receive our

⁴ Reference is evidently intended to the Notes of July 26, 1934 (see document No. 342, footnote 4), Nov. 28, 1935 (see document No. 403, footnote 2) and Dec. 18, 1935 (see footnote 3 above).

⁵ For the text of the German-Belgian Arbitration Convention of Oct. 16, 1925, see League of Nations: *Treaty Series*, vol. LIV, pp. 303-313.

⁶ Not printed (8456/E595565-66).

suggestions and to discuss with us how our wishes regarding the recent expulsions could be considered, how hardship suffered by the expelled persons could be alleviated, and how any damage to our mutual relations could be avoided or remedied. It would, of course, be difficult, especially where the expulsions were concerned, to find ways and means which would both satisfy us and be capable of application by the Belgian Government.

(3) Finally, however, he proposed that the incidents in Eupen-Malmédy should be used as the occasion for a joint discussion of German-Belgian relations with the object of becoming acquainted with and adjusting the wishes and views of both parties on the Eupen-Malmédy question in general and, over and above this, of achieving agreement and *rapprochement* in other political and cultural spheres. This surely constituted the greatest and most far-reaching offer ever made to Germany by a Belgian Minister President of the post-war period and might open up prospects which would be of the greatest value not only for German-Belgian relations but also for the tranquillization of Europe.

He wished to give a further, special proof of his good will by applying immediately for the German Government's *agrément* for Vicomte Davignon, the present Belgian Minister in Warsaw. Although it would have been completely in accordance with protocol, he did not wish to wait until a new Minister had been appointed to Brussels⁷ and he had attached special importance to informing me personally of his proposals, since I had been in charge of the previous negotiations. Vicomte Davignon would be instructed to take up, in Berlin, when he assumed his post, the proposals now made to me orally and to propose appropriate negotiations. In these circumstances he would not expect us to state our views on his proposals immediately, but would none the less be grateful if I could at some time inform him of how the German Government received the proposals he had made to me.

II

I thanked M. van Zeeland for his statements but did not conceal from him that in our view it would have been very much easier for the Belgian Government to find a basis for really fruitful negotiations for improving German-Belgian relations if the expulsions, which in our opinion were by no means so urgently necessary, had not been carried out and our protest disregarded. As a result of the expulsions and the justifiable anger they had aroused among the German public, difficulties had arisen which, to my mind, would first of all have to be removed in order to clear the way for a settlement and an improvement in our relations. I would naturally submit his pro-

⁷ The post of German Minister in Belgium had been vacant since the death of Count Adelmann on June 4, 1935.

posals without delay to the German Government who would have to consider them.

I, of course, avoided giving the impression that I was already willing to enter into, or prepare for, the negotiations proposed by M. van Zeeland. For that reason I did not pursue more closely the question, which came up in the course of our conversation, of raising our two Missions to the status of Embassies, on which point I merely got M. van Zeeland to confirm that this suggestion had been made to him by two German persons holding official posts, although they made it in an unofficial and non-binding form.⁸ For the same reasons, in reply to an utterance by M. van Zeeland about alleged declarations by the Führer concerning Germany's western frontiers, I confined myself to a brief reference to the distinction which the Führer had drawn between Alsace-Lorraine and Eupen-Malmédy. Finally, I very briefly discussed with M. van Zeeland the contents of the communication which he had handed to me and which is attached;² I asked him to alter the original wording of the third paragraph of the letter, which could only be taken to mean that the expulsions which had been carried out had been the natural consequence of the sentences of deprivation of citizenship, which would have been incompatible with the statements made to me by both M. van Zeeland and the Secretary General, van Langenhove. M. van Zeeland thereupon very readily had the paragraph concerned altered to the version now contained in the communication.

III

The importance of the Belgian Minister President's initiative should not be underestimated, although even a first glance shows that certain reservations will have to be made.

For one thing, there seems to me to be scarcely any doubt that the firmness of our attitude in respect of the treatment by Belgium of those of the inhabitants of Eupen-Malmédy who are of German stock and the sharpness of our protest have given the Belgian Government considerable food for thought and opened their eyes to the fact that we are not prepared to pay simply any price for an understanding and an improvement in our relations with Belgium, and above all not the price of the surrender of our national dignity and of every tie with those of the inhabitants of Eupen-Malmédy who are of German stock. In this matter, various conversations not conducted through diplomatic channels, as well as other reports received here, unfortunately gave the Belgian Government certain mistaken ideas, of which they now appear to have been disabused; in this connection the German press as well as statements by German personalities, such as, for

⁸ See also document No. 477.

example, Gauleiter Grohé in Cologne, have given effective support to the official attitude.

Now that their hope of German "readiness for agreement at any price" has disappeared, the Belgian Government are much concerned about the consequences of their attitude. For it appears to be quite certain that the Belgian Government, and above all the van Zeeland Government, do not want any disturbance in German-Belgian relations and that such a disturbance would at present be extremely awkward for them from both the domestic and the foreign policy angle. Where domestic policy is concerned, the van Zeeland Government's position is by no means sound, despite several successes in the economic field. Admittedly they are supported by the three main parties, but they meet with strong opposition precisely among the ranks of the bourgeois parties and of the Flemings too. If the country were to become aware of the tension in German-Belgian relations, which so far has been more or less concealed by the Government's exerting official influence on the press, this might have an unfavourable effect on the Government's position, especially as the possession of Eupen-Malmédy has by no means become a national aspiration and is considered by large sections of the population to be superfluous and an encumbrance upon foreign policy. In foreign affairs, the policy of independence and of friendly relations with all sides which Belgium has pursued for many years would be greatly hampered if German-Belgian relations were to be seriously impaired. Moreover, the fact that the Belgians view their relations with Germany very much from the economic aspect, coupled with the fear of a repetition of the 1914 attack, makes a deterioration of relations with us appear particularly serious to them. It would therefore seem that the object of the Belgian initiative is in the first place to avoid any weakening of the Government's position at home, which at once gives rise to certain reservations.

In this connection it is significant that, as I hear from a good source, King Leopold III was informed, on his return from London⁹, of the repercussions in Germany of the expulsions, and is said to have been very strongly in favour of avoiding any impairment of German-Belgian relations. This accords with what Minister President van Zeeland intimated to me in our conversation, namely, that the policy of cultivating good relations with Germany was being pursued with the full approval of the highest authorities.

Thus we find ourselves faced with a situation where considerations of foreign policy, which have always been stressed by the [Belgian] Foreign Ministry in connection with the expulsions too, now again assume major importance, and, in view of the situation created by the champions of the policy of assimilation—first and foremost the

⁹ King Leopold visited Britain Dec. 27, 1935–Jan. 7, 1936.

Chef de Cabinet in the Minister President's Office, Count Lichtervelde,—have led to a somewhat unusual initiative on the part of the man responsible for Belgian policy.

From the foregoing observations alone it can be seen that an attitude of reserve towards this initiative is called for. In the ups and downs of the parliamentary battle it is by no means impossible that the aim, though at present being pursued in all seriousness, of clarifying and improving Belgium's relations as a whole with Germany, will be lost sight of and abandoned as soon as the pressure of our protest and our press campaign, which at present is felt to be extremely serious, is removed. I should therefore like to say at once that I consider it both necessary and right that the German press should for the time being continue to treat the Eupen-Malmédy problem calmly, whilst emphasizing the fact that it has been brought into being by the behaviour of the Belgian Government. The steps to be taken by the new Belgian Minister, as foreshadowed by van Zeeland, and the ensuing discussions, will then quickly show *how far the Belgian Government's initiative is a tactical move to ease their own position or is due to a genuine desire to satisfy us in the Eupen-Malmédy question, too, and, by means of at least a temporary settlement of this question, to achieve an improvement in German-Belgian relations.*

At this point I should like to add a few brief comments on the prospects offered by negotiations on the extension of German-Belgian relations.

Belgium is closely linked to France and Britain as a result of the war. Memories of the war still play an important part today. They are kept alive both by the French and by the British—with a certain amount of petty rivalry—because Belgium, especially since the development of the Luftwaffe (Baldwin: England's frontiers are on the Rhine),¹⁰ represents a strategic *glacis* for both countries. On the other hand, however, Belgian policy has for years been striving to rid the country of any dependence upon the influence exerted by the Great Powers. Here Belgian policy coincides with our own political aim of extricating Belgium from her entanglement in the friendship of Britain and France, in which connection, however, it must be borne in mind that Belgium will never go beyond the point of equilibrium between France, Britain and Germany, and, because of the above-mentioned ties of sentiment—and, where France is concerned, also of language—the two Western Great Powers will for a long time to come find more fertile soil in Belgium than we can; moreover, were we to contend over her—even if there were only the slightest shift of position—we might call forth British and French suspicion and, in

¹⁰ The reference is to a phrase in Baldwin's speech in the House of Commons on July 30, 1934 (see *Parl. Deb., H. of C.*, vol. 292, cols. 2325-2343): "Since the days of the air, the old frontiers are gone. When you think of the defence of England you no longer think of the chalk cliffs of Dover; you think of the Rhine."

consequence, cross currents in Belgium or repercussions on major policy. Finally, it must be taken into consideration that, despite her hundred years' existence, Belgium still shows many signs of her artificial creation and that strong tensions may be observed amongst the two or three essentially different elements of which her population is made up, so that whatever line she takes in foreign policy is doomed to suffer from some weakness and the value of relations with Belgium is thereby reduced.

Despite the reservations which follow from this, the proposals put forward for discussion by M. van Zeeland deserve to be given serious consideration. Subject to the Belgian Government's intentions, *to be clarified in future discussions*, the prospects for negotiations on Eupen-Malmédy appear to be not unfavourable in so far as fears of disturbing German-Belgian relations would now seem to have brought about a certain readiness on the part of the Belgian Government to contribute towards a settlement. It should at least be possible to succeed in stopping proceedings for deprivation of citizenship and expulsions, on which definite assurances have already been given (see report A 426 of December 28).¹¹ As far as German-Belgian relations in general are concerned, it seems to me conceivable that, *subject to the above reservations*, a course could be laid down which might also be made use of abroad as proof of our policy of practical reconciliation and therefore, in spite of the doubtful intrinsic value of an improvement in our relations with Belgium, might acquire political importance.¹²

BRÄUER

¹¹ Not printed (8456/E595603-04); in this Bräuer reported a statement to this effect by van Zeeland.

¹² Marginal note: "In my view we should make an attempt to reach a provisional settlement of the Eupen-Malmédy question by negotiation. v. N[eurath], Jan. 14."

No. 492

9062/E635983-87

The Consul at Geneva to the Foreign Ministry

No. 2062/35

GENEVA, January 11, 1936.

Submit immediately!

Received January 13.

IV Po. 263.

Subject: Statements by the League of Nations High Commissioner, Lester, about the situation in Danzig.

With reference to your despatch IV Po. 8141 of December 12¹ and your telegram No. 92 of December 11.²

¹ Not printed (9062/E635902-04); this informed the Embassy in Warsaw, the Consulate General in Danzig and the Consulate at Geneva of the contents of document No. 454.

² Not printed (9062/E635900).

On the pretext that I had to discuss some accounts for settlement in connection with the Saar Territory, I recently had a conversation at the Consulate with M. Krabbe (who happens also to be the official responsible for Danzig in the Secretariat of the League of Nations) on the Danzig questions appearing on the agenda of the ninetieth session of the Council of the League of Nations. The following points from this conversation are worth noting:

President of the Senate Greiser's report, which was required in accordance with the Council resolution of September 23, 1935, and which will be discussed at the Council table during the Council's session opening on January 20, 1936,³ has been received. The High Commissioner's views on this report are not yet known, but in M. Krabbe's opinion Mr. Lester will not be satisfied with the information and promises given by the Danzig Government. When I asked if this opinion was based on the statements made by Mr. Lester during his previous visit to Geneva in December on the occasion of his conversations with Mr. Eden, M. Krabbe replied in the affirmative and added that he had not then been able to give me any information about the purpose and substance of the conversations between Lester and Eden, despite my enquiry, because the High Commissioner had expressly asked him to observe absolute secrecy. But now that a public discussion at the Council table of the situation in Danzig was imminent, he felt justified in informing me confidentially that Lester considered the position of the High Commissioner of the League of Nations in Danzig to be untenable, and that the purpose of his journey to Geneva in December had been to make this absolutely clear to Mr. Eden. In Lester's opinion the League of Nations would make itself ridiculous if, instead of intervening, it continued to tolerate a situation where the High Commissioner was forced to look on helplessly while the Danzig Constitution was constantly being infringed. The situation was rendered still more difficult by the fact that since the German-Polish agreement⁴ the Poles had taken no further steps to alter this course of events in Danzig and apparently would not protest at the Council table even now, but intended to persist in their passive attitude. Mr. Lester considered that, if it were to be consistent, the League of Nations must either intervene in Danzig or withdraw the High Commissioner and leave it to Germany and Poland to come to an agreement on Danzig.

When I enquired whether Lester had made any suggestions to Mr. Eden about the way in which the League of Nations might proceed in Danzig or whether he had referred to the possibility of his resigning, M. Krabbe replied that he did not know the concrete details of the

³ For Greiser's report see League of Nations: *Official Journal*, February 1936, pp. 174-178; for the Council's discussion of Danzig see *ibid.*, pp. 120-125.

⁴ Evidently a reference to the German-Polish agreement of Jan. 26, 1934; see vol. II of this Series, document No. 219.

conversation between Eden and Lester in December last, and that so far nothing whatever had come in from London for the report of the British *rapporteur* on the Danzig questions at the forthcoming session of the Council. In this connection Lester had previously told him more or less the following: The situation in Danzig could be improved only if three pre-conditions were met:

(1) A change of course by the NSDAP leadership in Danzig in respect of both policy and personnel.

(2) Fresh elections in Danzig, the results of which should secure the present Opposition parties a decisive influence on the Government (in this connection I should mention that the petitions received today from the Social Democratic Party in Danzig, calling for the last elections to be declared invalid, will be placed on the agenda of the forthcoming session of the Council).

(3) The sending of a League of Nations commission to Danzig, armed with wider powers than the present High Commissioner and in a position considerably to curtail the powers which the Danzig Government have so far possessed.

Upon my remarking that I thought Mr. Lester was too shrewd to believe that there was any chance of his strange ideas for a solution of the present difficulties in Danzig being fulfilled, M. Krabbe replied that Lester did indeed realize that there was no prospect of fulfilling the conditions which he had postulated as being necessary for an alleged improvement of the situation in Danzig, and that he was therefore perhaps thinking of resigning.

Although the prolongation of the mandate of the High Commissioner for Danzig is on the agenda of the forthcoming Council session, since, in accordance with an earlier Council resolution, it has to be considered by the Council one year before the expiry of the mandate, which ends on January 14, 1937, Mr. Lester has, as far as M. Krabbe knows, as yet given no official intimation of his intention of resigning. But it may be of interest in this connection that the Director of the Political Section of the League of Nations Secretariat, the Englishman Walters, recently made a remark to another member of the League of Nations Secretariat about the possibility of Lester's resigning or alternatively of his mandate not being renewed; moreover, this was in connection with the departure from the League of Nations Secretariat of M. Rosting, who previously held the office of High Commissioner in Danzig for a time⁵ and has since been the Head of the Minorities Section of the League of Nations Secretariat. M. Rosting is returning to the Danish Foreign Service. It is significant that, during his farewell visit to the Consulate, Rosting, who will be leaving the Secretariat at the end of the month, also mentioned the possibility of Lester's retiring, proposed himself as a candidate for the

⁵ From October 1932 to October 1933.

post, and requested that Berlin be asked whether Germany would agree to his possible appointment as High Commissioner for Danzig. Rosting emphasized that the Danish Government, and especially Munch⁶ and Scavenius,⁷ would have no objection to Rosting's taking up this post for a second time provided the German, British and Polish Governments supported his candidature. It is known that for his own part Rosting desires nothing more than to return to Danzig as the League of Nations High Commissioner. In spite of these remarks, I believe that Lester's resignation is still only under consideration, and that it is by no means a certainty yet.

At the close of our conversation M. Krabbe said he thought that the British Government might perhaps approach the German Government through diplomatic channels before the Council session opened, in order to discuss the present situation in Danzig and possible means of improving present conditions.

KRÄUEL

⁶ Danish Foreign Minister.

⁷ M. Erik Scavenius, Minister Plenipotentiary and Danish delegate to the League of Nations Assembly in 1933 and 1934.

No. 493

6691/H098622

The Consul General at Shanghai to the Foreign Ministry

Telegram

No. 4 of January 13

SHANGHAI, January 13, 1936—5:29 p.m.

Received January 13—12:15 a.m.

IV Chi. 75.

[To] Dieckhoff for Ribbentrop.

Yesterday, Wang Ching-wei . . . (group mutilated) informed me that Chiang Kai-shek visited Wang Ching-wei in Shanghai on January 5. He associated himself on this occasion with the action taken by Wang Ching-wei, which was discussed in Berlin.¹ In accordance with instructions received² I said that, as soon as Chiang Kai-shek informed me of his wishes as to the nature of the assistance, I would pass them on to Berlin. The doubts about Chiang Kai-shek expressed by Wang Ching-wei [and reported] in my telegram No. 79 of December 16,³ no longer obtain. Non-use of diplomatic channels and absolute secrecy have been promised.⁴

KRIEBEL

¹ See document No. 416.

² See document No. 451.

³ Document No. 466.

⁴ Marginal note: "N.B. M[inisterial]d[irektor] Dieckhoff has minuted on the S[tate] S[ecretary's] copy that nothing is to be done for the time being. E[rdmannsdorff], Jan. 13."

No. 494

7467/H182808-11

Memorandum by the State Secretary

BERLIN, January 13, 1936.

II R 54.

During his today's visit the French Ambassador reverted to the conversation we had held on January 10 during the New Year's reception.¹ He repeated his Government's assurance that no agreements of any kind directed against Germany had been concluded with the British. He expatiated at length, repeating his earlier remarks, on the fact that the recent German press campaign had been very disquieting for France. It was, he said, clear that we were seeking a pretext for alleging that the Treaty of Locarno had been violated by France, or by Britain and France together, in order then to occupy the Rhineland. On this he must state most explicitly that his Government had not concluded any agreements.

I interrupted the Ambassador and said that I took note of and was grateful for this statement, but that I would like to know whether there had not been any discussions, either, about joint action against Germany in the Locarno contingency or otherwise. At the time of the Anglo-French Entente, that is to say in 1904, and in the subsequent years, we had had very unpleasant experiences with the British. They had made sophistical distinctions between commitments [*Bindungen*], agreements [*Verabredungen*] and the like, and had continued to assure us that their hands were entirely free, whilst they had in fact long been in alliance with France.

The Ambassador took note of these questions and said he was not in a position to reply to them. He then returned to the London Protocol of February 3, to which he, and after him, Phipps, had referred in their conversations at the end of last year with the Führer and Chancellor.² These conversations had been entirely negative. London and Paris were therefore justified in assuming that we did not wish to participate in international discussions. He personally would consider it not only understandable but justifiable if, in these circumstances, the States interested in these agreements were to negotiate amongst themselves. He knew nothing of this, however, and had only been instructed to make the declaration given above.

¹ In a memorandum of Jan. 10 (7467/H182806-07) Bülow recorded a conversation with François-Poncet, during which the latter protested against the attitude of the German press to the Anglo-French conversations (see document No. 484) which had conveyed both to Paris and to himself an impression that Germany was preparing the ground for a surprise move. Bülow had replied that he failed to understand this anxiety and had referred to what Hitler had told François-Poncet on Jan. 1 about his views on the Locarno Treaty. No record of a conversation between Hitler and François-Poncet on that date has been found.

² See documents Nos. 425, 460 and 462.

He said that he was further instructed to state that his Government considered themselves entitled to conclude bilateral treaties within the framework of the Treaty of Locarno, for the application of the Treaty of Locarno, and that in the French view we were entirely free to do the same.

I told the Ambassador that I must most strenuously oppose this view. The Treaty of Locarno did not permit bilateral agreements. Even if one were to interpret it in this sense, it would not be admissible to enter into such agreements without previously consulting the other Contracting Parties and informing them of the substance of such agreements. I then enlarged on this, saying amongst other things that what annoyed us in the Franco-Russian Treaty was the right which France arrogated to herself to interpret the Treaty of Locarno unilaterally, thereby relapsing into the Versailles mentality. I said that furthermore the British Ambassador had, as François-Poncet was aware, enquired whether we would approve of bilateral agreements within the framework of a possible Locarno Air Pact, to which the Führer and Chancellor naturally replied in the negative. Now he [François-Poncet] came along and declared in the name of his Government that they considered themselves entitled to conclude supplementary agreements regarding the *casus foederis*, within the framework of the Treaty of Locarno, which had been in force for over ten years without having undergone any alteration, and to do so without consulting with us beforehand, or informing us of the contents of the proposed agreements.

The Ambassador protested that we had concluded a Naval Agreement with Britain without consulting with the Locarno Powers either. I refused, however, to accept the comparison as valid.

I then said that his interpretation of our press campaign, which I denied was an official campaign, was erroneous. It had nothing to do with any designs on the Rhineland but had been brought about by the many utterances in Britain and France which had gone uncorrected, or had been corrected tardily or ambiguously, and all of which indicated that Anglo-French agreements directed against Germany were being considered. Furthermore, official statements, such as the most recent statement by Eden also sounded extremely ambiguous and increased our mistrust rather than dispelled it.

The Ambassador then proceeded to make lengthy observations, such as he had frequently made before, about Laval's intentions, his difficult position and the damage done to German-French relations by German rearmament, and added that he could only repeat that no Anglo-French agreements had been made. On the other hand he said that he could well imagine that Laval, in parrying the British expectations about action against Italy, had put the counter question of whether, should France become involved in a conflict with Germany,

Britain would be prepared to render France the same support as she (Britain) was now demanding. This should, however, only be regarded as a manoeuvre and we must after all be grateful to Laval for his attitude over the Abyssinian conflict, for he had done all that was humanly possible to prevent the situation from deteriorating, Mussolini from falling and irreparable damage in general from being done.

I, for my part, then turned to the London Protocol of February 3 and the conversations of November and December of last year and told the Ambassador that the French and British were always trying to make out that we had accepted the London Memorandum as a basis for discussion. This was, however, not the case. Moreover, the conversations with the Führer and Chancellor had by no means proved as negative as he, François-Poncet, and according to him, Sir Eric Phipps too, made out. Neither the French Government nor the British could in any way derive from the conversations a pretext for concluding or even preparing agreements without us. The Führer and Chancellor in his conversations with him (the French Ambassador) had insisted on our readiness for negotiations and had only pointed out that the moment was not favourable for negotiations. As had now emerged from a conversation between Eden and Hoesch, the British Ambassador had misunderstood the Chancellor. The latter had said that he was in principle in agreement with a Locarno Air Pact, which was indeed in accordance with his previous attitude; he had only rejected limitation of air armaments amongst the Locarno Powers by pointing to the Franco-Russian Alliance.

The Ambassador finally requested that the press be urged to put an end to the campaign of recent weeks. Our conversation had brought up several interesting points, for instance our rejection of bilateral agreements within the framework of the Treaty of Locarno. This would have to be the subject of further diplomatic negotiations. That would only be possible if unaccompanied by loud press trumpetings. We should not over-estimate the strength of Laval's position, nor make his life and the pursuit of his international objectives harder by attacking him in the press. I told the Ambassador that it was my impression that our press campaign, which was entirely spontaneous and which reflected reports from France and Britain, had now exhausted itself. If no further incidents occurred and no fresh disquieting reports came in, it was unlikely to continue; he could therefore rest easy on this point.

BÜLOW

No. 495

9006/E631561-63

Memorandum by a Deputy Director of Department II

BERLIN, January 13, 1936.

e.o. IV Ba. 244.

To Ministerialdirektor Ritter for co-signature.¹

In view of the very serious economic situation in the Memel Territory, all the Departments had agreed in December last that there should be a single purchase of agricultural products to the value of 1,800,000 RM, on a compensation basis and limited to the Memel Territory only. The compensation deal has fallen through in consequence of a condition imposed by the Lithuanian Government which was unacceptable to us. As in the meantime the situation in the Memel Territory has dangerously deteriorated, it is imperative to effect this clearance by changing the compensation transaction into a cash transaction which can be carried out independently of the Lithuanian Government; for this purpose foreign exchange amounting to about one million Reichsmark would have to be made available.

In view of the extensive political importance of this proposal, the matter has been discussed orally by Section IV Ba. with Ministerialdirektor Brinkmann (Reich Ministry of Economics) who showed much appreciation of the political necessity of quickly pouring about a million Reichsmark into the impoverished Memel Territory and said he would inform Herr Schacht.

It is therefore proposed that the Foreign Minister should address to Reichsbank President Schacht an express letter, a draft of which is attached.² The modalities of the proposed action are clear from this draft.

Independently of the consideration given to this subject in the Foreign Ministry, Reich Minister Hess, the Reich Chancellery, the Führer's Reich Commissioner for Economic Questions, Keppler, and Reichsbank President Schacht (the latter via Ministerialdirektor Brinkmann of the Reich Ministry of Economics) have been approached by those concerned about approval for the allocation of a considerable quantity of foreign exchange for the Memel Territory.

Up to the present we have held the view that, apart from this clearance, closure of the frontier against Lithuania should remain in force for the time being. It is for consideration, however, whether this

¹ Marginal note: "*f[actum]*", but see also footnote 2 below.

² Not printed (9006/E631564-66); this draft, which is marked "*Cessat*", bears the following marginal note: "H[err] Brinkmann has told me that H[err] Schacht has already been approached by H[err] Hess and H[err] Keppler about the matter. H[err] Schacht did not refuse but said that he wanted, in conjunction with the Foreign Minister, to report on it to the Führer. R[itter], Jan. 15."

state of affairs can be maintained permanently. The closing of the frontier, which was originally introduced solely on political grounds, is beginning, as time goes on, to be an ineffectual weapon, since Lithuania is constantly finding alternative markets for her agricultural products. In addition, the general political interests of the Reich would appear to call for a normalization of economic relations with Lithuania and thus for a certain *détente* in the situation in the East, which would free our hands to deal with major and vital problems, in comparison with which the Memel problem assumes minor importance. In the interests of the Memel Territory itself, which, should we continue our sanctions, is liable to be strangled by Lithuania, we should consider whether and to what extent, and, if need be, by what methods (we might, for instance, begin by extending a possible compensation transaction to include Greater Lithuania without surrendering any substantial Reich German or Memel German interests), we might manage to restore normal economic relations with Lithuania. But where Memel itself is concerned, nothing of this kind can be done unless abundant and prompt economic assistance is provided in advance, in order to meet the just expectations of the Memel population on which has fallen the brunt of the sacrifices entailed by the closure of the frontier and which has fought splendidly in recent months both during and since the election campaign.

Herewith submitted, via Ministerialdirektor Dieckhoff and the State Secretary, to the Foreign Minister.

R[ÖDIGER]

No. 496

7467/H182812-15

Memorandum by the Foreign Minister

BERLIN, January 14, 1936.

RM 30.

II R 59.

During his today's visit the British Ambassador began by expressing his Government's regret that we were declining discussions concerning the conclusion of an air pact between the Locarno Powers on account of the Franco-Russian Pact. I replied that it seemed to me there was some misunderstanding here. When the Ambassador saw the Führer,¹ the latter had by no means rejected an air pact between the Locarno Powers; on the contrary, he had pointed out that we had in fact, at the suggestion of the British, communicated a draft air pact in London in July [*sic*] of last year.² We had heard nothing further

¹ See document No. 462.

² The draft (document No. 106, enclosure) was in fact communicated on May 28, 1935; see document No. 113.

about the fate of this draft. The Ambassador then read out to me from a paper which he had brought with him an involved statement to the effect that Ambassador Hoesch had been told at the Foreign Office, if I am not mistaken on July 23 of last year,³ that the exchange, suggested by us, of such drafts as might be received in London from the other Locarno Powers, was not considered expedient, but that a joint draft, drawn up after negotiations, was preferred. I pointed out to the Ambassador that since then we had heard nothing further of any draft, but that it had come to our knowledge that the French were still persisting in their view that an air pact should not be discussed until after the other questions contained in the London Protocol had been settled.

I then went on to explain to the Ambassador that the Führer's remark that he did not at present consider conversations on the conclusion of an air pact expedient, related to the secondary proposal to conclude an agreement on the limitation of air forces, and that in this connection the conclusion of the Franco-Russian Pact would of course cause difficulties and hindrances because we were compelled, when considering the dimensions of our air force in all cases (and this also applied to any agreements with the Locarno Powers), to take into account the change in the situation brought about by the aforementioned pact. One must, therefore, distinguish between three separate points:

- 1) We continued to be prepared to conclude an air agreement with the Locarno Powers.

- 2) We considered that, in view of the general political situation, the time was not ripe for negotiations on the limitation of air forces.

- 3) We had always pointed out that the concept of the Locarno Pact had been violated by the conclusion of the Franco-Russian Pact.

The Ambassador then read out to me an informatory telegram from the Foreign Office concerning Ambassador von Hoesch's conversation with Mr. Eden on January 6. The substance of this telegram tallies with Ambassador von Hoesch's telegraphic report on this interview (telegram No. 4 of January 6).⁴ I told the Ambassador that it was very valuable to me to see from Ambassador von Hoesch's conversation with Mr. Eden that Eden, like ourselves, considered bilateral agreements between Locarno Powers to be inadmissible as contravening the Locarno Treaty spirit. I then said that I supposed Mr. Eden would consider equally inadmissible discussions on military technicalities between the General Staffs. The Ambassador confirmed this view and when I voiced certain doubts which had arisen in consequence of the recently reported discussions during the Italo-British conflict, on military technicalities in connection with the French

³ See document No. 219.

⁴ Document No. 484.

obligation to render assistance,⁵ he gave me a solemn assurance that these conversations had in no way gone beyond the hypothetical case of an Italian attack on the British Fleet. When I nevertheless insisted that, even within the framework of these conversations, though restricted in the first place to an Italo-British clash, the question of a possible occupation by British forces of air and other military bases along the German-French frontier could have been discussed, the Ambassador denied this most emphatically.

Finally, the Ambassador returned once more to the subject of the air pact negotiations and asked whether we also objected to joint simultaneous discussions among the five Locarno Powers on technical military preparations for the event of the Locarno Treaty obligations coming into play. I replied that in principle we could not object to that. Such discussions did not, however, seem to me to be very promising at the present moment, since I could not imagine that agreement could be reached, given the prevailing tension between Italy and Britain. Besides, the Locarno Treaty had existed without friction for ten years now although unaccompanied by any such technical military agreements, and I did not really see why such military discussions should be started now, at a time when two guarantors of the Locarno Treaty were hostile to each other.⁶

FRHR. V. NEURATH

⁵ See also documents Nos. 480 and 485.

⁶ See also British Blue Book, Cmd. 5143 of 1936, Nos. 47 and 48.

No. 497

6114/E454461

Counsellor of Legation Altenburg to Captain Heimbург, Reich War Ministry

[BERLIN,] January 15, 1936.
zu II Oe. 93.¹

DEAR HERR VON HEIMBURG: With reference to our today's telephone conversation,² I am sending you, with the Foreign Minister's approval, the attached copy of the Rome Embassy's telegram of January 7³ concerning Herr von Hassell's conversation with Mussolini. In this connection the Foreign Minister wishes me to draw your attention to the fact that, after consultation with the Führer and Chancellor, Mussolini's proposal is not regarded as designed, in itself, to restore relations between Germany and Austria to normal. In

¹ Document No. 486; see also document No. 487.

² No record of this telephone conversation has been found.

³ Marginal note in Altenburg's handwriting: "Copy of the Rome Embassy's telegram No. 2 of Jan. 6 [document No. 485]."

accordance with the Führer and Chancellor's instructions, it is therefore not at present intended to take up this suggestion.⁴

With cordial greetings
and Heil Hitler!

A[LITENBURG]

⁴ Typewritten marginal note: "The text of the Foreign Minister's instructions has been worded as dictated by Herr von Kotze [of the Foreign Minister's Secretariat]."

No. 498

7467/H182816-18

Memorandum by the Foreign Minister

BERLIN, January 16, 1936.

RM 34.

II R 62.

During his visit yesterday the Italian Ambassador once again enquired about the subject matter of the discussion between the British Ambassador and the Führer and Chancellor before Christmas.¹ I gave him a brief account of it. Upon my remarking that the British Ambassador had asked for our views on the possible conclusion of bilateral treaties among the Locarno Powers and that we had disputed the admissibility of such treaties, the Ambassador began to explain, at considerable length and basing himself on telegrams from Grandi, the Italian Ambassador in London, that a military alliance between France and Britain already existed. This phrase had in fact been used by Grandi in two telegrams to the Palazzo Chigi in Rome. These telegrams referred, however, to Anglo-French cooperation in the event of an armed clash between Italy and Britain. I told Signor Attolico that both the British and the French Governments had expressly denied to us having concluded a military alliance or even any agreements going beyond the case of an Italo-British clash. As he would have seen from the press, however, we were extremely mistrustful of these assurances in view of our previous experiences over General Staff talks. In any case, we considered the conclusion of agreements on military technicalities between two Locarno Powers also to be a violation of the spirit of the Locarno Treaty. These views had been explicitly conveyed by myself to the British Ambassador² and by State Secretary von Bülow to the French Ambassador too.³

Signor Attolico then suddenly asked whether we intended to return to the League of Nations. I replied that our attitude to the League of Nations had not changed in any way and then in my turn asked why this matter was of interest to him at this juncture. He explained that Mussolini intended to withdraw from the League of Nations in

¹ See document No. 462.

² See document No. 496.

³ See document No. 494.

the near future and wished merely to await the League Council meeting on January 20 and the resolutions which would then be passed. If, however, it should be our intention to return to the League of Nations, then Italy, too, would remain in it.

Signor Attolico then showed me a telegram from the Italian representative in Geneva, according to which M. Vasconcellos, the chairman of the Committee of Eighteen, would make a statement at the next meeting of the Committee of Eighteen concerning the steps taken by the sanctions Powers to implement sanctions. The statement would also contain a sentence stating that Germany, too, was in fact taking part in sanctions by fixing quotas for her exports to Italy. Signor Attolico attributed this assertion to the statements by Consul Krauel,⁴ which had been distorted and had long since been denied, and the tendentious distortion of which I emphasized once again.

Finally, the Ambassador spoke quite generally of the various interests which Italy and Germany had in common, without, however, making any mention of the German-Italian agreement on the Austrian question, of which Mussolini had spoken in conversation with Herr von Hassell.⁵ Signor Attolico did, however, say that he was informed of the Mussolini-Hassell conversation.

FRHR. V. NEURATH

⁴ See documents Nos. 394, 396, 397 and 398.

⁵ See document No. 485.

No. 499

7596/E543710-11

Minute by an Official of the Danzig Senate

BERLIN, January 16, 1936.

Today consultations were held with the Führer, with Herr von Ribbentrop and with the Foreign Minister (President Greiser and Dr. Böttcher¹).

President Greiser explained at length all contingencies in the position of Danzig before the League, and also drew attention to all possibilities upon which the League of Nations might seize to impose its will. There was also said to be information that Eden was proposing to resort to energetic measures over Danzig to raise the prestige of the League of Nations. Eden was also believed to have discussed the Danzig problem at length with the Polish Ambassador in London.

It was then agreed that, on January 17, Herr von Neurath should send for the British Ambassador. He was to draw his attention to the fact that Germany did not understand the attitude which Britain and her High Commissioner appeared to have adopted, [which was]

¹ Director of the Foreign Affairs Department of the Danzig Senate.

that, although Britain was constantly asserting that her negotiations with France and so on were not directed against Germany, yet where Germany's interests were injured, as in Lithuania, Britain speedily declared herself not interested, and that where it was a matter of damaging the German community [*Deutschtum*], as in Danzig, Britain wanted to act ruthlessly. Britain must not be surprised if Germany were to have certain friendly feelings for Italy whose High Commissioner,² for instance, had always handled Danzig questions with exceptional objectivity and in friendly fashion, whereas the Irish-English High Commissioner had not the slightest understanding of Danzig's interests and was becoming simply an attorney for the opposition.

Similar comments are to be published on the morning of January 18 in various German newspapers, and Ambassador von Ribbentrop, who happens to be having the British Ambassador to lunch on Saturday, January 18, will draw attention to the press comments and speak to the Ambassador in similar fashion.

In Geneva there is not to be too much activity at first, and in particular no attempt will be made to seek an interview in advance with Eden. The plan of approaching Aloisi was approved. But it was uncertain whether Aloisi would be coming to Geneva this time.

With Herr von Ribbentrop, as he did not appear to be well informed on Eastern [European] questions, I dictated an *exposé* of the position of Danzig before the League of Nations.

Dr. VIKTOR BÖTTCHER

² Manfredi Count Gravina, who was High Commissioner in Danzig from June 22, 1929, until his death on Sept. 19, 1932.

No. 500

116/66225

Memorandum by the Foreign Minister

BERLIN, January 17, 1936.
RM 41.

During the British Ambassador's visit today I told him that it was my impression that the League of Nations High Commissioner for Danzig was not equal to his task there.¹ I did not deny that conditions in Danzig were not easy. To master them an outstanding personality was needed, such as Count Gravina,² for example, had been. I had heard that in Geneva Mr. Lester had submitted a list of complaints about the President of the Danzig Senate and the Danzig

¹ See also document No. 499.

² See document No. 499, footnote 2.

Government. I now feared that Mr. Eden, the *rapporteur* for Danzig, would allow himself to be too greatly influenced by this denigratory report of Mr. Lester's and I therefore asked the Ambassador to inform Mr. Eden of my fears.

This the Ambassador promised to do.³

V. [NEURATH]

³ In telegram No. 7 of Jan. 18 (9062/E636065), Hoesch reported from London: "During my today's conversation with Eden, the Foreign Secretary referred to a conversation which the Reich Foreign Minister had recently had with Sir Eric Phipps, at which the Danzig questions, on which Eden is to be *rapporteur* at the forthcoming session of the Council, were discussed. Freiherr von Neurath had expressed the desire that Eden should get in touch with President of the Senate Greiser in Geneva and discuss the matter with him. The Foreign Secretary asked me to tell the Reich Foreign Minister that he would of course be very willing to discuss the matter in detail with Greiser."

No. 501

7467/H182819

Memorandum by the Foreign Minister

BERLIN, January 17, 1936.

RM 42.

e.o. II R 67.

During his visit today the British Ambassador referred once again to our conversation of January 14¹ and in particular to the bilateral and multilateral conversations mentioned in connection with the air pact. I told him that I had meanwhile informed the Führer of our conversation and had found him to be in full agreement with the statement I had made to the Ambassador.

The Ambassador then asked once again whether we were also opposed to bilateral agreements among Locarno Powers within the framework of the proposed five-Power talks. I told him that I must repeat that I regarded such questions as more or less theoretical. For one thing, I was convinced that the time to start such conversations had not yet come. Whether, supposing such five-Power talks ever took place, there would then come into being agreements between two Locarno Powers with the approval of the other parties to the conversations, could in my opinion well be left to time to show.

I did not gather whether Phipps keeps coming back to this point of his own accord or on instructions from London.²

FRHR. V. NEURATH³

¹ See document No. 496.

² For Phipps' report on this conversation, see British Blue Book, Cmd. 5143 of 1936, No. 49.

³ Copies of the document here printed and of documents Nos. 494, 496 and 498 were transmitted to the Missions in London, Paris, Rome and Brussels under cover of despatch II R 62 of Jan. 20 (7467/H182820-22), with instructions to hold language in accordance with the statements of the Foreign Minister and the State Secretary if questioned about these conversations.

No. 502

9387/E665022-23

Memorandum by an Official of Department II

BERLIN, January 18, 1936.
zu IV Ru. 287¹ [Ang.] III.

I informed Ministerialrat Mossdorf today of the contents of the telegram of January 17 from the German Embassy in Moscow.¹ Herr Mossdorf then told me the following:

A meeting was held yesterday with President of the Reichsbank Schacht to discuss the Soviet Government's decree of January 16, at which, in entire agreement with the German Embassy's view, he described the new decree as nothing but a demonstration against Germany. Its practical value was the less in that, already since the beginning of January, bar naphtha, the Soviet government had delivered no goods to Germany, on the grounds that no agreement had yet been reached in regard to commercial relations for the year 1936.

President Schacht is of the opinion that Germany for her part has at present no cause to take any action. He would now prefer to wait for the Soviet Government to take the initiative.

Herr Mossdorf went on to say that as early as January 13, Herr Schacht had let M. Kandelaki, who had requested an appointment, know that for the time being he saw no possibility of seeing M. Kandelaki now that, in his speech to the Central Executive Committee,² M. Molotov had clearly taken the matter into his own hands. M. Kandelaki had been much taken aback by this announcement, but had expressed the hope that the ill feeling resulting from Molotov's speech would only be of a temporary nature and that it would be possible to resume negotiations at the end of the following week.

The German Embassy in Moscow are to be instructed by telegram, a draft of which is attached.³

¹ In Moscow telegram No. 14 of Jan. 17 (9387/E665017) Schulenburg reported that the press had that day published a decree forbidding, from Jan. 20, Soviet export and economic organizations from exporting Soviet goods to countries where, by reason of foreign exchange regulations or administrative measures, there was no guarantee that the proceeds could be freely applied by the Soviet economic organizations to meet all payment obligations incurred by them irrespective of when originated. This he regarded as being mainly directed against Germany, and as simply a demonstration, since, given the monopoly organization of Soviet foreign trade, any required measures could have been taken without a legal announcement of this kind. He requested instructions before taking action in view of the possibility that the decree had been occasioned by some turn in the Berlin negotiations.

² See document No. 489 and footnote 1 thereto.

³ This was telegram No. 9 of Jan. 18 (9387/E665018-19) to Moscow which summarized the information contained in the document here printed, and instructed Schulenburg to avoid as far as possible any statement on the German attitude to the decree, and if necessary to point out that, in view of the foreign trade monopoly, its legal and practical purposes were not apparent to Germany.

Respectfully submitted herewith to:

1. Senior Counsellor Roediger
2. Economic Department.

HENCKE

No. 503

8112/E579757-59

Foreign Minister Neurath to Ambassador Bergen

CONFIDENTIAL

BERLIN, January 20, 1936.

Sent January 28.

zu II Vat. 38.¹

DEAR BERGEN: The detailed description, contained in your kind letter of January 4,¹ of your New Year's conversation with the Pope, formed a valuable supplement to the account of the prevailing mood which you gave in your interesting report of December 6.² Like yourself, I too am of the opinion that it is best not to take these vehement papal outbursts too tragically, as long as they occur in private and not in public, and that you, for your part, should not revert to them again. There is no intention at all here of attacking the Catholic Church as such, or of allowing the situation to develop into an open conflict with the Curia. But the Holy See, the Bishops, and, not least, the lesser clergy, must accustom themselves to the fact that the day is past when the clergy in Germany were allowed to exceed their authority without restraint and were even able to achieve a key political position in Germany. Until the clergy have reconciled themselves to being kept within bounds, the Vatican will not cease to represent every security measure taken by the State as a curtailment of confessional freedom and a religious persecution. Only when the Bishops and the clergy have overcome their chagrin at the loss of their political power and have clearly adapted themselves to the new circumstances, which will probably take some time yet, will amicable co-operation between State and Church again become possible. Not till then, moreover, shall we be able to approach the task of regulating relations between State and Curia by means of a new and more viable Concordat, which does not, like that concluded in July 1933,³ still bear, in many aspects, the stamp of outdated conditions.

The Nuncio was recently ill again with his old gall-bladder trouble and was subsequently forced to excuse himself from coming to a dinner party of mine at which he was to have been the guest of honour. Menshausen has called on him repeatedly on my instructions, chiefly in order to ascertain the wishes of the Curia with regard

¹ Document No. 482.

² Not printed; see document No. 482, footnote 1.

³ For the text see vol. I of this Series, document No. 371.

to the school question. Contrary to the information you have received, the Nuncio has, so far, limited the invocation of Article 33, paragraph 2, of the Reich Concordat, announced in the Vatican's Note,⁴ to the school question. This is certainly a particularly delicate problem, and it will not be easy to harmonize the claims of the Curia with the altered conditions in Germany.

With best wishes,

Yours, etc.,

V. N[EURATH]

⁴ Not printed. This Note, dated Jan. 5, 1936, was transmitted by Bergen under cover of despatch No. 2 of Jan. 7 (8115/E581132-38).

No. 504

6024/H045225

Memorandum by the Director of Department III

BERLIN, January 20, 1936.

IV Ja. 105.

With reference to today's report by the Berlin correspondent of the *Morning Post* on the conclusion of a German-Japanese military agreement:

As instructed, I discussed the question of a *démenti* with Herr von Ribbentrop. He has submitted the matter to the Führer and Chancellor and has received instructions first to wait and see if this report is taken up by other reputable English or French newspapers. If necessary it could then be the subject of a *démenti* in the form of a DNB release, the drafting of which Herr von Ribbentrop has reserved to himself. Otherwise we should ignore the *Morning Post* report, as in the case of previous similar reports in Russian and French Communist newspapers.¹

DIECKHOFF

¹ In a memorandum of Jan. 8 (6024/H045158-62) addressed to Dieckhoff, Erdmannsdorff listed the various published reports of a German-Japanese military agreement, beginning with a report from Berlin in the *Baseler Nachrichten* of Nov. 29, to which the Chinese Embassy had drawn attention, and concluding with a leading article in a Chinese Government paper reported [in Nanking telegram No. 5 of Jan. 7 (9607/E677705)] by Trautmann, who requested instructions. In telegram No. 6 to Nanking of Jan. 13 (6024/H045191) Trautmann was authorized to use his discretion over a *démenti*. In a memorandum of Jan. 13 (6024/H045207) Erdmannsdorff noted that he had informed the Chinese Minister that these frequently recurring reports were all traceable to the same source (Tass) [see document No. 475] and merited no special *démenti*.

No. 505

6690/H097925-27

Memorandum by the Director of the Economic Department

BERLIN, January 20, 1936.

For submission to the State Secretary via Department IV.

From memorandum W IV Ru. 53 of January 6, 1936,¹ I learn for the first time that Reich Minister of Economics Schacht intends to grant Russia a ten-year credit in the form of a bonded loan [*Obligationenkredit*] and that he has already given M. Kandelaki a more or less concrete promise on this.

I consider that to grant Russia a credit in the form of a bonded loan would be wrong for two reasons.

(1) If Russia has, on the whole, repaid without difficulty the credits so far granted her—according to my estimate some 4 thousand million RM or more—this is only because we have so far always refused *financial* credits and have only granted *commercial* credits, that is to say, credits secured on trade bills. The same security does not exist in the case of a credit in the form of a bonded loan, i.e., a financial credit. On the contrary, I fear that we shall in the future have difficulties over the repayment of such financial credits, if we do not lose the money altogether. The Reich [Government] would be directly involved, for industry will naturally once again demand a Reich guarantee and, in the case of a ten-year credit, an even higher percentage than heretofore.

(2) The second reason is in my view even more important. Except for a small credit in the form of a bonded loan from Czechoslovakia, Russia has, despite her continuous efforts, not received a financial credit from any country so far. I believe that the attitude adopted by the other countries has been decisively influenced by Germany's attitude. If we were now to be the first big country to grant Russia a financial credit, the ice would be broken. Other countries would be more or less compelled to grant financial credits if they did not want to be forced out of business. Other countries would, however, be able to offer Russia more than we. We should, therefore, to some extent be of use to Russia only as a pace maker for other countries.

The Reich Finance Minister, Count Schwerin von Krosigk, thinks as I do. President Schacht having already given a more or less concrete promise, I should, however, not advise our formally revoking this retrospectively. In dealing with matters of detail, however, an opportunity should offer of taking a different line without revoking in principle.

RITTER

¹ Document No. 483.

No. 506

6114/E454474-80

Memorandum by the Ambassador in Italy

BERLIN, January 20, 1936.

II Oe. 227.

I

On Friday, January 17, at 5 p.m. I reported to the Führer and Chancellor on the political situation in Italy, giving, once again, a brief *résumé* of my latest conversation with Mussolini¹ and adding some information on the circumstances of the discussion. I followed this up with a report on the conversation I had had that same day with Attolico here in Berlin. During this conversation I had told Signor Attolico that in reporting here on Mussolini's statements I had encountered three obstacles: (1) I was obliged to recognize that there was a strong feeling here that at bottom Italy wished to return to Stresa. (2) Considerable doubts were felt as to whether Italy would really use her influence in Vienna towards a Vienna-Berlin understanding; in particular, it was of the greatest importance to me to have an authentic statement from him as to whether it was really Italy's serious and honest desire that Vienna take the road to Berlin and not to Prague and Paris. Lastly, I had found extreme pessimism in Berlin as to Italy's military position in Africa, and he, Attolico, would certainly understand what conclusions as to the value of an Italian *rapprochement* with Germany were being drawn from such a position. Attolico replied that he wished to say something on all three questions: First, with regard to Stresa, he could only assure me, in accordance with Mussolini's own words, that Italy by no means wished to return to Stresa. It was admittedly true that others were that way inclined; it would probably not come as a surprise to me that France had this in mind, but he must add that Britain too was proving to have similar designs. Here he drew a report by Grandi from his pocket and let me glance at one or two passages. This document concludes by expressing the view that British policy is pursuing three objectives, namely, a permanent, and not merely *ad hoc* but generally valid alliance with France; secondly, the reconstruction of Stresa, and, thirdly, precisely for the sake of a return to Stresa, a rapid liquidation of the Abyssinian conflict.

He said that on my second point, namely that concerning a real and sincere desire on Italy's part that Vienna take the road to Berlin and not to Prague and Paris, he could state most solemnly and definitely that Italy desired an understanding between Vienna and Berlin and

¹ See document No. 485.

that she was opposed to the *rapprochement* between Austria and Czechoslovakia and her allies.²

Finally, with regard to the military situation, if the pessimism of which I had spoken referred to the question of achieving a decisive success before the rainy season set in, then he could not but share this pessimism. If, however, this pessimism consisted of thinking that Italy was not able and perhaps even did not wish to carry her military undertaking further, but would have to liquidate it before the rainy season, then he could only state most explicitly that this view was quite without foundation. Italy was resolute and entirely capable of fighting on. Badoglio had reported that in the north, too, he would be ready to go over to the attack at the end of the month. All preparations, such as building barracks etc., were being made to weather the rainy season, and all measures taken for a second winter campaign. From the economic angle, too, they were definitely in a position to go on holding out for many months yet. On the other hand, it would be foolish for him to attempt to deny that Italy's overall politico-economic situation was most difficult. He would be betraying no secrets if he said that if anyone were to offer Italy acceptable compromise proposals, Italy for her part would not "spit in their face". For the rest he had reason to suppose that the idea of a compromise was once again receiving close attention in Britain, and, in particular, from Mr. Eden himself.

To this report on Attolico's statements I added that there could naturally be no doubt that Mussolini's new attitude was in a way a sign of weakness, which did not, however, in itself deprive it of all value and, in my opinion, would not justify our dismissing it as a disingenuous and Machiavellian gambit. In particular, it would, in my view, be wrong to assume that Mussolini was doing this in order to lure us into taking action against Austria and thus diverting world attention from him to us; and the contrary was proved by the fact that Attolico (who, moreover, claims to be the author of the Mussolini suggestion) had expressly told me that in his view we should for Heaven's sake not embark on any action against Austria now; on the contrary, he thought that what we should do was to take note of this new attitude of Italy's to the Austrian question and try very cautiously and gradually to restore relations between Berlin and Vienna to normal.

After a short discussion of the resultant situation, the Führer and Chancellor sent for the Foreign Minister and in the presence of us both drew a picture of the political position as it appeared to him at present. He said he had no illusions at all about the fact that Germany was at present as good as completely isolated. We possessed no

² This paragraph is added in the margin of the memorandum. A letter from Rome by Hassell of Jan 23 to Renthe-Fink (6114/E454481-82) asks that it be included, as it had been accidentally omitted.

really reliable friends. No real trust could be placed in Poland's policy and Italy was herself in a very difficult position. It would be highly undesirable if this isolation should, as the result of a collapse of Fascism in Italy, become a moral isolation too. We must do everything to prevent the manifold opponents throughout the world of the authoritarian system of government from concentrating upon us as their sole object. But apart from this it was also in our interests that Italy as a piece upon the European chessboard should not be weakened too much. There was a time, especially after Mussolini's well-known demonstrations on the Brenner, when perhaps we might not have wished to see Italy emerge from the conflict too great or too victorious, but nowadays this danger surely no longer existed to any great degree. On the contrary, it was much more to be feared that Fascism, and indeed Italy herself, might be destroyed or at least emerge seriously impaired by the ordeal. We Germans, for our part, could not but wish to make every effort to prevent such a collapse, in so far as we were in a position to do so. He had therefore resolved to continue our benevolent neutrality towards Italy. Indeed, he had even at times considered going further and undertaking some form of action towards peace and thus of mediation in the Italo-Abyssinian conflict. This idea had then been dropped again, but the benevolent neutrality so far observed would continue to be our guiding principle. Similarly he could only welcome it if relations of mutual trust between Italy and Germany were restored. It was a mistake to pursue a policy of emotion in such questions; regardless of what one's own personal feelings might be, it was politically correct to treat the events of 1934 as a closed chapter. How the Vienna Government would react to these questions was another matter; moreover, only when they had reacted would it become clear whether Italy would make good her words in Vienna with deeds. On the German side we must continue to keep our eyes open in Vienna and see whether the Austrian side, and particularly Prince Starhemberg, displayed willingness to restore the links with Berlin on an acceptable basis.

The Foreign Minister supplemented these remarks on some particular points.

II

With regard to the language to be held by us in Rome, I should consider the following points of view to be correct:

- 1) I would propose that I be instructed to take note of Signor Mussolini's statements, that is to say, to repeat these statements and have them confirmed, and to tell him that the Führer and Chancellor has taken note of these remarks with great interest and cannot but welcome them in the interest of German-Italian relations.

- 2) Furthermore, I would suggest that Signor Mussolini be told that

we assume that in Vienna too he will now pursue a policy which will accord with his statements, and that he will, in particular, leave no doubt that he desires an understanding between Vienna and Berlin, but that, on the other hand, he will oppose any defection on Austria's part to the Little Entente and in particular to Czechoslovakia. We should add that, from the impressions gained by us, it appeared to us that in Vienna there still did not obtain the conditions for an understanding between Berlin and Vienna indicated by Mussolini.

3) Finally I could tell Mussolini that the Führer and Chancellor, animated by the desire to see Fascism and Italy emerge from their present ordeal unshaken, is determined to continue in his previous policy of neutrality, which Mussolini has described as being one of benevolence towards Italy. In so doing we are proceeding from the assumption that Italy does not desire to return to the political system of Stresa.³

VON HASSELL

Postscript

I should also like to mention that Signor Attolico told me he was constantly endeavouring, in the face of opposition from other quarters, to bring about Italy's withdrawal from the League of Nations. Such a step would of course be deprived of all value if, soon afterwards, Germany should consent to return to the League of Nations. The Führer and Chancellor, whom I informed of this remark of Attolico's, stated that he had no thought of returning to the League of Nations.

³ A draft telegram to Rome, prepared for Neurath's signature and dated Jan. 22 (6114/E454483) reads: "I agree that your language in Rome should be in accordance with the points contained in the second part of your memorandum of Jan. 20 submitted here." This telegram was not despatched; a marginal note reads: "*Cessat!* The St[ate] S[ecretary] has already informed Ambassador v. Hassell to this effect orally. B[erlin], Jan. 23." Another marginal note on this draft reads: "As instructed, I informed Ambassador von Hassell today that he would not receive further written instructions, as, after the oral discussion with the State Secretary, his instructions are quite clear. To be filed. A[ltenburg], Jan. 24."

No. 507

C 78/C001251

The Ambassador in the United States to the Foreign Ministry

Telegram

No. 21 of January 21 WASHINGTON, January 21, 1936—10:39 p.m.

Received January 22—8:25 a.m.

In conversations with American journalists, Dunn, the chief of the Western European Affairs Division of the State Department, has, as Sell¹ informs us in strict confidence, expressed himself as follows on

¹ Washington representative of DNB.

the question as to whether British foreign policy will be modified by the change of sovereign;² During his informatory tour last spring, he had had a long conversation with the new King, who had been extremely frank. He had declared that he disapproved of France's efforts to revive the *entente cordiale* and to hitch Britain to the French wagon, and said that he was convinced that France thought purely egotistically and in terms of continental imperialism and that France would leave Britain in the lurch if Britain should one day get into international difficulties. He further deprecated the French desire to force Germany to her knees and declared that he had much sympathy for Germany's difficult position. Nor did he hold his father's view that the King must blindly accept the Cabinet's decisions. On the contrary, he felt it to be his duty to intervene if the Cabinet were to plan a policy which in his view was detrimental to British interests. Dunn added that naturally the present King would not interfere openly and directly either, but would try to make his influence felt as much as possible behind the scenes. The same source adds that Dunn stated that he had received reports that the British Cabinet for their part were very displeased about the statement made by the then Prince regarding the invitations to German ex-servicemen.³ The late King had been passionately for peace and had therefore strongly supported the Hoare-Laval plan, but the present King was distinctly cool towards France. He had warm feelings of friendship for America.⁴

LUTHER

² King George V died on the night of Jan. 20.

³ See document No. 159 and footnotes thereto.

⁴ Marginal notes: (i) "[For the] R[eich] C[hancellor]. This tallies exactly with what the King said to me too in 1933. v. N[eurath], Jan. 22." (ii) "The Chancellor is informed. L[ammers], Jan. 23."

No. 508

8456/E595622-30

The Foreign Minister to the Legation in Belgium

MOST URGENT

BERLIN, January 21, 1936.

zu II Bel. 56.¹60.²

With reference to your report A 18 of January 11.²

A general discussion of German-Belgian relations, arising from and in continuation of the exchange of views on the application of the Belgian Deprivation of Citizenship Law in Eupen-Malmédy, would not appear to us to be opportune. Such a discussion would involve the

¹ Brussels telegram No. 1 of Jan. 10; see document No. 491, footnote 1.

² Document No. 491.

risk either of our grievances in respect of Eupen-Malmédy becoming lost in a maze of generalities or of our being compelled to define our fundamental attitude towards the problem of Eupen-Malmédy, which would by no means satisfy the Belgians, and only result in prejudicing German-Belgian relations still further; it might also serve as a pretext for continuing more rigorously the policy of assimilation in Eupen-Malmédy. Nor should it be assumed that in such a discussion we should succeed in obtaining from the Belgian Government promises that they would refrain from further deprivation of citizenship proceedings with the ensuing expulsions (and that in a form going beyond the earlier statements made by M. van Zeeland and one binding on future Belgian Cabinets too), since we are not prepared to fulfil the conditions on which Brussels would make such a promise depend, i.e., to make some kind of general declaration renouncing all claims in respect of Eupen-Malmédy.

On the other hand it is obvious that we cannot simply reject the Belgian Minister President's suggestions. We shall, rather, have to reply that we are of course prepared to discuss German-Belgian relations at any time, but shall have to avoid fixing the exact scope and date of such a discussion. Our concern at the moment is not to continue and extend the discussions with Brussels but to pin the competent Belgian authorities down to the statements so far made by M. van Zeeland. It will also be important to make it clear to the Belgian Minister President, gradually and without in any way rejecting his suggestions, that German-Belgian relations can best be served by both Governments endeavouring to avoid producing any fresh sources of conflict and endeavouring to create tranquillity, this being less a matter for mutual conversations than one requiring both sides to take measures at home, such as those which we for our part have already repeatedly taken.

You should therefore take the opportunity presented by M. van Zeeland's desiring to be informed of our reception of his suggestions to inform the Minister President orally on the following lines:

The German Government have noted with satisfaction the Minister President's statement that the Belgian Government are now more than ever concerned to maintain and extend friendly relations with Germany. It is well known in Brussels that we, too, and that for many years past, have been striving to put relations with Belgium on a friendly basis. Nor would we in any way accuse Belgium of pursuing an anti-German policy in general, but we are bound to attach importance to Brussels being fully aware of the impossibility of fostering friendly relations with Germany when at the same time free rein is being given to an obviously anti-German bias in one sphere of Belgian policy, namely, in the treatment of the German population of the administrative districts of Eupen-Malmédy. In spite of our re-

peated and emphatic warnings, the Belgian Government have so far persisted in pursuing this path, begun with the Deprivation of Citizenship Law, with the application of this Law, and finally with the expulsions. The wreckage left by all this will have to be cleared away.

We have taken note that the Belgian Government are ready to accept without ill feeling an appeal by us to the International Court of Justice on the question as to whether the Deprivation of Citizenship Law is compatible with the Treaty of Versailles. We must of course reserve the right if need be to make use of this possibility too for settling a matter in dispute. But we agree with M. Van Zeeland that it would of course be preferable to settle the matter by other means, especially as the Court would only settle the legal side of the question, and even this only from a particular aspect, namely, that of the compatibility of Belgium's action with the Treaty of Versailles, which would contribute nothing towards the restoration and further shaping of friendly relations between our two countries. Moreover, in view of the tension which has arisen, the point at issue is by no means *only* a legal one, but is also a matter of the political repercussions of the fact that Germany has witnessed, in the neighbouring country of Belgium, a whole section of the population being subjected to discriminatory treatment, simply because of their having championed the German community (in this connection see our despatch II EM 394 of November 5,³ the arguments in which should again be put forward if occasion arises). This state of affairs has inevitably produced a reaction among the German public, which will most certainly recur if the course embarked upon with the Deprivation of Citizenship Law continues to be pursued. This is a politico-psychological fact which has nothing whatever to do with an attempt to interfere in internal Belgian affairs and which cannot be remedied by a legal settlement alone. If this fact is disregarded, then, in spite of all the German Government's eagerness to be on the friendliest possible terms with Belgium, the favourable future development of our mutual relations is called in question.

From the state of affairs as described above there must needs emerge the answer to the question of what should be done to eliminate the present cause of strain in our relations. To this end it would be necessary for Brussels too to be fully resolved not to allow such an avoidable and testing strain to recur. We have taken note here with satisfaction of the Minister President's statements that the Belgian Government would not institute any further deprivation of citizenship proceedings and would also cause the Public Prosecutor to comply with this wish. The best thing would of course be for the Law itself to be repealed, but it is not for us to make definite suggestions in this direction.

³ Not printed; see document No. 403, footnote 2.

Compared with this most important requirement for improving German-Belgian relations, the question of how the lot of the persons already expelled could be to some extent alleviated—which M. van Zeeland has stated he is ready in principle to do—is less important, although naturally we hope that sooner or later the Belgian Government will be willing to grant these persons re-entry to their native land. You must reserve the right to transmit definite proposals on this point to the Belgian Foreign Ministry should occasion arise.

With regard to the problem of Eupen-Malmédy in general, we shall be very willing to make our contribution towards the tranquillization which is so much needed. The reasons given for the Liège verdicts against the so-called chief disturbers of the peace in Eupen-Malmédy have certainly not convinced us that the circumstances, which the Belgian Government have thought to require remedying, were such as the German Government could influence in any way or even such as to come within the German Government's sphere of responsibility. Nevertheless, we too shall endeavour to prevent any revival of the conflict being caused by some action on the part of Reich Germans.

For your information, I may conclude with the following observations: On January 17, the Belgian Chargé d'Affaires⁴ here read out to us a memorandum which he had received about your conversation with van Zeeland, and which is presumably the same memorandum as that of which the Minister President made use during your conversation. What was remarkable about this memorandum was the rigid adherence to Belgium's familiar legal position (the Deprivation of Citizenship Law as an act of Belgian sovereignty at home) together with the doctrine of the inadmissibility of German interference in Belgian domestic affairs. On the other hand, the memorandum indicates as a possible subject for discussion (and one where we might receive satisfactory assurances) the possibility of freely developing German culture in Eupen-Malmédy. The Chargé d'Affaires enlarged upon this by pointing out how little foundation there was for our fears in this respect, since even the recruits from this territory were receiving their training in the German language. As against this it contains Belgian complaints about Germany's promoting inadmissible propaganda, which the memorandum treats as something about which we should be required to give assurances. The memorandum puts forward as a keynote for the proposed discussions the need for a mutual "*désarmement moral*" [moral disarmament].

In view of the fact that to represent the whole complex of questions in such a fashion is to transfer it into a sphere far removed from our real grounds for complaint, the Chargé d'Affaires has already been told emphatically that the present stumbling-block is the exceptional law

⁴ E. Graeffe; no record of this interview has been found.

discriminating against the population of Eupen-Malmédy and the way this law has been applied. Therefore, if it be desired to clear up the present situation, this is the place to begin. In your conversation with M. van Zeeland you should take care to leave the Minister President no illusions on this score. He should not allow himself to be misled by his subordinates into brushing aside the real gravamen of our complaints as a legal issue which it is better not to pursue further, and embarking instead on a discussion which might only too easily lead to an *impasse*.

You should report by telegram on the reception accorded to your representations.⁵

V. NEURATH

⁵ In telegram No. 5 of Jan. 22 (8456/E595646-47) the Legation in Brussels were further instructed that Germany was prepared to study any Belgian complaints and to take appropriate action if this was within her power.

No. 509

147/78377-78

Memorandum by the Foreign Minister

BERLIN, January 21, 1936.

RM 53.

[IV Po. 462.]¹

The Polish Ambassador called on me this morning and told me the following on Minister Beck's instructions: The complaint by the Opposition parties in Danzig,² now on the agenda for the Council session in Geneva, and the League of Nations Commissioner's report had put M. Beck in an awkward position. As a member of the Council he could not dissociate himself from any decisions taken by the Council, which, in view of the present situation, might well go against the Danzig Government, but would be obliged to support these decisions. He would, however, try to exert a calming and moderating influence as far as possible.

I asked the Ambassador to tell M. Beck from me that I would welcome it if he could not only exercise a moderating and calming influence at the Council meeting, but also, if possible, submit a compromise proposal for settling the Danzig affair. Since a peaceful development of the Danzig affair was primarily in his own interests, I considered that he had every right to do so; nor would he have any interest in the dispute between the League of Nations and the Danzig National Socialists becoming even more acrimonious. It seemed to me not impossible that the Council of the League of Nations wished to restore its somewhat dubious prestige by particularly stressing its de-

¹ Taken from another copy (9062/E636075-76).

² See document No. 442, footnote 3.

mand *vis-à-vis* little Danzig that its recommendations and instructions be carried out. Moreover, the Danzig dispute gave the many members of the Council of the League of Nations who were opposed to National Socialism an opportunity of picking holes in it. If Poland should associate herself with unduly severe measures by the Council of the League of Nations, there would be a danger that German-Polish relations might be affected. It was in the interests of both Germany and Poland that this should be prevented.

M. Lipski promised to convey my messages to M. Beck in Geneva.³

V. N[EURATH]

³ The document here printed was forwarded by Lieres to Warsaw, Danzig and Geneva on Jan. 22 with the comment that Greiser had been requested to get in touch with Beck in Geneva (9062/E636077).

No. 510

7620/E544964-69

The Ambassador in Great Britain to the Foreign Ministry

A 329

LONDON, January 21, 1936.

III E 265.

Subject: Death of King George V of England and Edward VIII's accession to the Throne.

In George V the British people have lost a monarch to whom they owe much.

The quarter of a century for which George V occupied the British Throne has been one abundantly filled with heavy cares. First came the serious constitutional struggles at home over the Irish question. Then came the World War, a time of tears which victory could not completely wipe away, to be followed by the post-war period with its manifold grave anxieties and hardships.

That during these twenty-five years the idea of monarchy has not only remained unshaken in the British Empire but has indeed become more deeply rooted in the hearts of the people than ever before is due not least to the personality of the late King and of the noble Queen playing her part by his side. Only to a ruler possessed of high qualities could it be granted that his people, after a reign of twenty-five years during which they had been called upon to sacrifice so much blood and treasure, should assemble together in such a superb demonstration of affection as they did during last year's Jubilee celebrations.

George V's most outstanding qualities were his natural dignity together with the honesty of his intentions, the simplicity of his manner and his kindness of heart. He added to this a sound sense of the political needs of the British people and a sensitive understanding of his people's character. Without in any way transgressing the

bounds of his constitutional duties, King George has at times exerted decisive influence on political events in Britain; and it will be particularly remembered in what large measure it was due to his influence that, during the troubled autumn days of 1931, the formation of the National Government was brought about, thus opening the road to recovery. With unerring aim the King adopted the right tone every time he spoke to his people; the King's Jubilee message and his regular Christmas broadcasts to the peoples of the British Empire were proof of this.

Great and sincere as were the rejoicings during the King's Jubilee celebrations, the present mourning at his death is no less deep and general, undisturbed by any discord.

In foreign affairs during the post-war period the King's chief aim and greatest purpose was to ensure that, as far as it could possibly be avoided, his people should not again be involved in war. The King has often told me himself that he was determined to do all he could to spare the peoples of the British Empire a fresh conflict during his lifetime. To this determined opposition to any possibility of war may also be attributed the moderating influence which George V constantly exercised over the British Government during the Italo-Abyssinian conflict.

The King was certainly critical of Germany, but at heart well disposed. He regretted the sufferings inflicted on the German people and disapproved of both the spirit and substance of the provisions of Versailles. He spoke to me, too, quite frankly in such terms when I was a guest of the King and Queen at a small gathering at Windsor.

George V will live in the memory of the British people, in the first place as the King who stood at the head of the Empire during the World War, and beyond this as a wise and kindly ruler who was in close sympathy with his people.

King Edward VIII resembles his father in some respects, but differs greatly from him in others.

He, too, like his father, possesses simplicity and naturalness in manner and bearing. He is much closer to the people than even his father was. Like his father, he is also distinguished by sincerity of mind and warmth of heart.

Edward VIII, however, is much more impetuous than George V. He is full of lively interest in all the problems of human existence and the life of nations and is accustomed to displaying an immense amount of activity. He has travelled the whole world over in either an official or a private capacity and on many of these visits has had considerable success in furthering the interests of the British Empire. Through engaging so intensively in so many forms of sport, he has established close contact with people of all classes. His special interest is in

social questions. On the basis of going to see for himself he has studied the conditions of the miners in the pits besides concerning himself with the unemployment problem, and he has made himself thoroughly acquainted with the housing question. In a number of public speeches he has been particularly emphatic in advocating the removal of unsatisfactory dwelling conditions, and it is due not least to his categorical insistence on improved housing conditions that the British Government have, in recent years, introduced legislation for this purpose.

The new King's gift for being in close sympathy with the people, his free and simple manner, the absence of any kind of pose and his active interest in all suffering and distress brought him unparalleled popularity as Prince of Wales. "The Prince" was and still remains every girl's, as well as every sportsman's and every soldier's, ideal, and generally the ideal of all nationally conscious Britain. Difficult as it must be for a successor to follow so universally respected a ruler, yet it may nevertheless be expected that the widespread affection bestowed upon the new King when he was heir to the Crown will not be denied him on the Throne either.

In foreign affairs, Edward VIII shares his father's conviction of the absolute necessity of preserving peace for his people. King Edward is not a pacifist; on the contrary, he desires a Great Britain strong, armed and endowed with a sense of honour, ready, if need be, to defend her honour and her possessions. He is most profoundly convinced, however, that in modern times war no longer affords a means for settling international disputes; he is, moreover, convinced that a fresh European war must result in the ruin of Europe, its submergence in Bolshevism and thus in the destruction of all civilization. Although firmly attached to the old British parliamentary traditions, Edward VIII nevertheless shows a far-reaching understanding towards the course followed by other States, and especially by Germany.

You are aware from my reports that King Edward, quite generally, feels warm sympathy for Germany. I have become convinced during frequent, often lengthy, talks with him that these sympathies are deep-rooted and strong enough to withstand the contrary influences to which they are not seldom exposed. Only on the Thursday of last week,¹ that is to say on the day before he was summoned to his dying father, I was given some further evidence of this sympathy when I met the Prince of Wales as he then was. This evidence took the form of the Prince's first assuring me that it was his firm intention to go to Berlin next summer for the Olympic Games and then asking me to be good enough to tell the members of the delegation of German ex-service men, who were about to visit this country,² to keep a couple of

¹ i.e., Jan. 16.

² A delegation of German ex-servicemen arrived in London on Jan. 19.

hours free for their audience with him as he wished to talk to each of the delegates personally, and finally saying that he might himself come to the dinner party for German and British ex-servicemen that I was arranging to give at the Embassy.

King Edward will naturally have to impose restrictions on himself at first, especially in questions of foreign policy, which are so very delicate. But I am convinced that his friendly attitude towards Germany might in time come to exercise a certain amount of influence on the shaping of British foreign policy. At any rate, we should be able to rely upon having on the British Throne a ruler who is not lacking in understanding for Germany and in the desire to see good relations established between Germany and Britain.

Naturally, it will be advisable not to let any suggestion of such things come from Germany but to afford the new King the opportunity of himself drawing from his own views the conclusions which his high office permits him to draw.

Hoesch

No. 511

8887/E621246

The Ambassador in Japan to the Foreign Ministry

Cipher Letter

No. 253

Tokyo, January 21, 1936.

Received February 11.

IV Ja. 186.

With reference to my report of [January] 16.¹

The Polish Minister here has told me, in absolute confidence, that the American Ambassador in Moscow, Bullitt, told the Polish Ambassador there that conversations with leading Soviet representatives had convinced him that the Soviet Government, for fear of Germany, would take no action against Japan should she invade Outer Mongolia. Please treat this report as absolutely confidential.²

Dirksen

¹ Not printed (8990/E630386); this was an unnumbered cipher letter in which Dirksen reported that his Military Attaché, Ott, had gained the impression from a conversation with Manaki, head of the German section of the Japanese General Staff, that the extremist group in the Japanese General Staff envisaged a move against Outer Mongolia in the spring but that this was not expected to lead to a conflict with Russia. The Foreign Minister, Hirota, had however decisively rejected the suggestion of a possible threat to peace through a conflict with Outer Mongolia, stating that Japan's attention was fully engaged for the present in strengthening her position in Inner Mongolia.

² Marginal notes: (i) "[For the] F[oreign] M[inister]. The rumour of a German-Japanese alliance is paying Japan immediate dividends. B[ülow], Feb. 11." (ii) "Submitted to the Foreign Minister. Ko[tze], [Feb.] 12." See also documents Nos. 475, and 504 with footnote 1 thereto.

No. 512

6144/E459796-97

Memorandum by a Deputy Director of Department II

BERLIN, January 22, 1936.

II Ts. 160.

Some little while ago, the Ministry for Propaganda, lacking funds of its own, asked the Ministry of Finance to make a special grant (of some 260,000 RM) for subsidizing the new Prague daily, *Die Zeit*,¹ which is closely linked with Konrad Henlein's Sudeten German Party. The Ministry of Finance, however, refused to make a special grant available for this purpose and left it to the discretion of the Ministry for Propaganda to obtain the money by drawing an advance on its next year's budgetary allocation. This, however, Reich Minister Goebbels is not prepared to do.

In order to prevent the scheme for providing support from breaking down, the Führer's Deputy approached the Minister of Finance personally and declared that the placing of additional funds at the disposal of the Ministry for Propaganda was a matter of urgent necessity. The question has now arisen as to whether the Foreign Minister will support the step taken by the Führer's Deputy.

The Sudeten German Party would undoubtedly suffer a severe blow if the paper were compelled to cease publication through lack of funds. Apart from this, according to Czechoslovak law a judicial investigation of the financial affairs of the newspaper would, in such a case, ensue, which naturally might easily lead to an exposure of the financial transactions of the Sudeten German Party. There would then arise the danger of the fact being disclosed that the Party has been receiving funds from sources for which it is not sufficiently able to account, thus affording the Czechs the pretext they desire to dissolve a Party which is a source of embarrassment to them.

In view of these facts, with their pros and cons, although the Sudeten German Party cannot avoid the reproach that, by starting off on such a large press enterprise without having the necessary funds, it has acted in an irresponsible manner, the Foreign Ministry should, in my view, use its influence with the two Ministries concerned (Propaganda and Finance) in order to avoid any solution which would constitute a severe political reverse for the Sudeten German community and German interests in Czechoslovakia.²

RENTHE-FINK

¹ See also document No. 285.

² Marginal note: "Agreed. Communication to Finance M[inistry] and possibly Pro[paganda] M[inistry]. v. N[eurath], Jan. 23." A letter signed by Bülow and dated Jan. 24 (6144/E459798-99) was sent to the Ministers of Finance and Propaganda supporting the case for additional funds. Following a letter dated Jan. 25 (6144/E459800-02) from the Propaganda Minister to the Finance Minister requesting a single subsidy of 250,000 RM and making certain proposals for more efficient management of the paper's finances, the Finance Minister's agreement was conveyed by letter on Feb. 3 (6144/E459806).

No. 513

Senior Counsellor Renthe-Fink to Ambassador Hassell

Cipher Letter

SECRET

BERLIN, January 23, 1936.

Sent January 25.

e.o. II Oe. 275.

For your personal information only.

DEAR HERR VON HASSELL: We learn from a reliable source that the Russians have informed Prague in confidence that a German-Italian exchange of views concerning Austria is in progress. According to them the German side are prepared to renounce the use of force against Austria on condition that Italy and Germany should work together in Vienna to get the Austrian National Socialists into the Austrian Government; at the same time, Italy should declare her *désintéressement* in the fate of Czechoslovakia.

The Russians have asserted—and this is particularly interesting—that their information stems from confidential statements by Attolico to Boris Stein.¹

Although all Russian utterances should be treated with great caution, yet the above statements are, in view of the circumstances, very striking, and one cannot suppress the suspicion that, in spite of all assurances, it is Italy's policy to play a double game and to say one thing to other States and another to us.

I felt I should not omit to inform you of this, since this occurrence confirms our view that we have every reason to proceed with the utmost caution in the Austrian question.

With best wishes and Heil Hitler,

Yours,

R[ENTHE]-F[INK]

¹ Soviet Ambassador in Italy.

No. 514

9588/E675910-11

Memorandum by the Foreign Minister

BERLIN, January 23, 1936.

RM 58.

e.o. II Balk. 198 R.

The Rumanian politician, M. Brătianu,¹ who called on me today, asked me the same questions as he had asked Minister President

¹ Gheorghe Brătianu, leader of the Rumanian Young Liberal Party, visited Berlin Jan. 20-26. One of the objects of his visit was to deliver a lecture, on Jan. 22, on "Bismarck and Ion Brătianu".

Göring and Herr von Renthe-Fink.² I told him that it was common knowledge that we had no alliance with Hungary. As regards the revisionist question, we for our part would not express a renunciation which would be equivalent to again recognizing the terms of the Versailles Treaty. But we had, of course, not bound ourselves in any way actively to support Hungarian revisionist aspirations. M. Brătianu declared that this statement would be of great value to him in his struggle against a Russo-Rumanian alliance. The advocates of such a pact kept on advancing the argument that it was required to counter German-Hungarian plans of aggression.

M. Brătianu then told me that Rumanian-Polish relations still left much to be desired, although there had been signs of a slight improvement during the last few months.

M. Brătianu also wished to know whether we now proposed to take up the question of colonies. To this I replied that, owing to our need for raw materials, we could not renounce our claims to territories from which we could obtain such materials. We had therefore constantly brought this need to the attention of the British too. When, however, we should be able to solve the problem could not yet be foreseen.³

FRHR. VON NEURATH

² Although no record of a conversation with Göring has been found, Brătianu, according to memoranda by Renthe-Fink (9588/E675902-06) and by Ritter (9588/E675907-08), both dated Jan. 22, informed both Renthe-Fink and Ritter of the assurances he had received from Göring on the subject of German-Hungarian relations.

³ The Legation in Bucharest was informed of the conversations held with Brătianu in a despatch of Jan. 30 (9588/E675912-16), the substance of which was also sent to the Legation in Budapest with instructions (9588/E675917) that, should the visit occasion disquiet in Budapest, it should be explained that German policy towards Hungary remained unchanged but that good relations were also desired with Rumania, particularly in view of the importance of Rumania's remaining aloof from the Franco-Czecho-Soviet pact and any form of anti-German coalition.

No. 515

6114/E454485-90

The Foreign Minister to the Minister in Austria

BERLIN, January 24, 1936.

zu II Oe. 227¹ Ang. II.

With reference to your reports A 3226 of December 25 [*sic*],² A 192 of January 10,³ and A 303 of January 15,⁴ and to our telegram No. 3 of January 15.⁵

¹ Document No. 506.

² Dec. 28 is meant; see document No. 476.

³ Document No. 488.

⁴ Not printed (6114/E454470-73); in this secret report Papen recorded a conversation he had had the previous day with the Austrian Minister of the Interior.

⁵ See document No. 488, footnote 10.

I. For your confidential information.

(1) During the conversation which our Ambassador had with Mussolini before leaving Rome on January 6,⁶ the latter stated that he fully recognized the benevolent neutrality which Germany was observing *vis-à-vis* Italy. In these circumstances he thought that it would now be possible fundamentally to improve German-Italian relations and to dispose of the only dispute between the two States, namely the Austrian problem. Since we had always declared that we did not wish to infringe Austria's independence, the simplest method would be for Berlin and Vienna to settle their relations themselves, on the basis of Austrian independence, e.g. in the form of a treaty of friendship with a non-aggression pact, which would, in practice, bring Austria into Germany's wake so that Austria could pursue no other foreign policy than one parallel with that of Germany. If Austria, as a formally quite independent State, were thus in practice to become a German satellite, then he, Mussolini, would have no objection. He saw in this great advantages for Germany as well as for Italy, in that Germany, as already stated, would acquire a reliable satellite, while at the same time German-Italian distrust would be eliminated and all Danubian Pact machinations frustrated. Should this not come about, then it was to be feared that Austria, who was beginning to doubt Italy's ability to help her at the decisive moment, would be driven to side with Czechoslovakia, and thus with France. In reply to a further question by our Ambassador, the Head of the Italian Government expressly confirmed that Italy would not oppose, either directly or indirectly, a settlement of German-Austrian relations on the basis of formal independence and close German-Austrian cooperation in foreign policy. When our Ambassador expressed certain doubts regarding the feasibility of this suggestion, Mussolini replied that Austria's present position was difficult enough to encourage her Government to clarify relations with Germany; they only desired to make sure of retaining formal independence. In the event of such a settlement, Czechoslovakia and France would have no pretext for intervening. He had, moreover, advised Schuschnigg against going to Prague.⁷ He, Mussolini, did not believe in a Habsburg restoration. He was, finally, convinced that the Vatican would do nothing to oppose it, again provided Austria remained an independent State.

2. It remains to be seen what motives in fact impelled Mussolini to make this statement at the present time. It is probable that points other than those touched upon in the conversation with the Ambassador also influenced his decision. It is therefore self-understood that we should treat his assurances with caution and should wait and see whether he follows up his words with deeds, thus proving to us that

⁶ See document No. 485.

⁷ Schuschnigg visited Prague on Jan. 16 and 17; see also document No. 543.

his declarations were sincere. There are certain indications here that Italy's policy may be to play a double game and that, in the Austrian question, she is saying one thing to the other Powers and another to us. Since now as previously we do not consider it advisable for any understanding with Austria to be achieved under Italy's aegis, and since we must also prevent our behaviour from mobilizing those States which are opposed to a German-Austrian understanding, we do not intend to commit ourselves with Mussolini. Our Ambassador will accordingly confine himself to pinning Mussolini down to his declarations while voicing our view that, judging by the impressions we have gained in Austria, the conditions for an understanding do not yet exist.

II. For your guidance as to the attitude you should adopt.

As regards the developments in Austria and the events described in your last report, your first concern should be to watch closely and see whether the Austrian side show any inclination to pick up the threads with Berlin on a basis acceptable to us. Nor should you mention the statements made by Mussolini to Herr von Hassell, but, on the other hand, you should note whether Mussolini is exerting influence on Austrian circles in the sense of these statements. There is no objection *per se* to your continuing to maintain contact with Prince Starhemberg, but you should refrain from committing yourself in any way. I also entirely approve of your attempting to strengthen the opposition in the Austrian Government to the line which the Quai d'Orsay and the Vatican are urging. In Austria itself we must, however, avoid putting our money on any particular horse too soon, because the interplay of the various factors is not yet clear and the distribution of strength cannot yet be assessed. It therefore appears to me desirable that you should not only maintain contact with Starhemberg, particularly since this is being closely observed and since the fact of this contact is already beginning to have repercussions,⁸ but should also not fail to cultivate relations with the other elements.

Our future conduct in Austria will doubtless be carefully observed by all sides. We must, therefore, from the outset, expect disruptive manœuvres and diversionary tactics.

We for our part have frequently—most recently in the Führer and Chancellor's speech of May 21⁹—unequivocally recognized Austria's independence and stated that any intention of attacking Austria was out of the question. We have thus indicated that it would be

⁸ This sentence would appear to be based on a minute by Bülow of Jan. 23 (6114/E454484), which reads: "In my view Herr von Papen should, above all, avoid negotiating with *Starhemberg only*, particularly as this is being closely watched, and the fact of their intimacy has already given rise to repercussions. He should also get into touch with Schuschnigg, and play him and Starhemberg off against each other."

⁹ See Editors' Note, p. 171.

entirely possible to settle this point in a satisfactory manner, thus giving proof of our readiness to come to an understanding; it is now for Austria in her turn to furnish clear proof that she is prepared for an understanding.

V. NEURATH

No. 516 °

9588/E675921-23

Memorandum by a Deputy Director of Department II

BERLIN, January 24, 1936.

II Balk. 205 R.

I. The suggestion made by the Chargé d'Affaires in Bucharest¹ that, on the occasion of King Carol's passage through Germany on his journey to and from London, a meeting should be arranged between the King and the Führer and Chancellor is worthy of consideration from the political point of view. The King is known to be the decisive factor in Rumanian politics and an opponent of the pro-Russian policy pursued by Titulescu. A personal meeting of the two Heads of State might well strengthen the King in his friendly inclinations towards Germany and, moreover, strengthen our position in Rumania.

II. An opportunity for the proposed meeting is only likely to be afforded during the King's return journey. It would not appear to be advisable to invite the King to visit Berlin, as this would attract too much attention. On the other hand, it would be easy to arrange a meeting in or near Munich, where the Führer and Chancellor in any case often stays.

III. An opportunity of sounding King Carol as to whether he would be prepared to meet the Führer will spontaneously present itself in London during the presence there of the German Delegation, under the leadership of the Foreign Minister, which is attending the funeral ceremonies. It would appear less desirable to make enquiries through Prince von Hohenzollern.²

IV. Independently of whether a meeting takes place or not, it would appear desirable for the King on his way through Germany to London to be met at the frontier or at some other convenient time and place by a personage of high standing, to convey the greetings of the Führer and Chancellor. In this case it would be necessary to see that the same or equal attention was paid to Prince Regent Paul of Yugoslavia, who is also passing through Germany en route for

¹ In telegram No. 7 of Jan. 23 (9588/E675909).

² See also document No. 398.

London, and also to King Boris of Bulgaria, should he, too, travel through Germany.³

RENTHE-FINK

³ Marginal note: "We cannot at the moment pursue so conspicuous a Balkan policy. It seems to me to be necessary that the frontier customs posts (entry and exit) should be advised. The head [of the customs post] can then pay his respects. v. N[eurath], Jan. 24."

No. 517

6680/H096340-41

Memorandum by a Deputy Director of Department III

BERLIN, January 24, 1936.

e.o. IV Chi. 146.

The Foreign Minister informed me that he was summoned this afternoon to the Führer and Chancellor, where he found the War Minister, von Blomberg, and also Herr Klein, who has returned from China.

Klein attempted to set forth his plans at epic length, whereupon the Foreign Minister interrupted him and told him that what he was primarily interested in was how far Klein had succeeded in obtaining the Nanking Government's approval for the Klein projects in Canton to be continued.

Klein then produced a letter¹ from Marshal Chiang Kai-shek to the Führer and Chancellor which he had brought with him and in which the Marshal emphasized that Klein enjoyed his full confidence. A Chinese Commission² would be arriving in Berlin in the near future for the purpose of negotiating an exchange of goods, and Herr Klein held out prospects that the deliveries made by the Chinese would, in particular, take the form of wolfram and other ores of value to our war industry, and oil fruits (?). Klein also stated that he possessed a document³ from Chiang Kai-shek in which the latter stated his approval of Klein's continuing his proposed Canton projects. The arsenal in Canton had, moreover, been completed. This assertion is in contradiction to Ambassador Trautmann's telegram of November 28⁴ about a complaint by the Canton Marshal that work on the arsenal had been at a standstill since the spring.

When Klein then complained of having been badly treated by the German Missions in China and remarked, in reply to a question on this point by the Foreign Minister, that he meant our Missions in Nanking and Canton, the Foreign Minister retorted that this assertion was bunkum. He had instructed our Missions in China last summer to assist Herr Klein.⁵ When asked to give concrete grounds for his complaints, Klein made no reply, whereupon the Foreign Minister put

¹ Not found.

² See also document No. 338.

³ Not found.

⁴ Document No. 432.

⁵ See documents Nos. 1 and 101.

it to him that he had carefully avoided visiting our Missions in China. If he (Klein) was now talking in a general way of the unfriendly attitude of our Missions towards him, this was Chinese waterfront gossip.

When Klein went out to China again he would, if he so desired, be given letters of introduction to our Missions there. Furthermore, he (the Foreign Minister) or another representative of the Foreign Ministry would be at Klein's disposal for further discussions. But he hoped to see as little of Klein as possible.⁶

V. ERDMANNSDORFF

⁶ Marginal note "Secretary of Legation Voss: I wish to discuss a possible telegraphic enquiry in Canton about the progress of work on the arsenal. E[rdmannsdorff], Jan. 25." No telegram of this nature has been found.

No. 518

6690/H097958

The Russia Committee of German Industry¹ to the Foreign Ministry

CONFIDENTIAL

[BERLIN,] January 24, 1936.

Russian orders for war material.

We venture to bring to your attention the following minute of a conversation held on January 21 between the Export Consortium for War Material section of the Reich Federation of Industry and Lieutenant Commander Rieve:

"The Führer and Chancellor has forbidden from henceforth all transactions in war material with Russia. The Reich Ministry for War is, however, of the opinion that war material should be taken to mean only what is laid down in the Law of November 6, 1935.² The current negotiations regarding armaments machinery should therefore not be broken off. On the other hand, negotiations with regard to submarine batteries and equipment made by the firm of Zeiss will not be continued.

"The stereo-telescope transactions concluded some time ago are not affected by the new regulation."

Heil Hitler!

THE RUSSIA COMMITTEE OF GERMAN INDUSTRY
The Secretariat:

¹ See document No. 21, footnote 9.

² The Law on the Export and Import of War Material; for the text see *Reichsgesetzblatt*, 1935, Part I, p. 1337. See also document No. 402 and footnote 3 thereto.

No. 519

8015/E576382-84

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 7 of January 24

ROME, January 25, 1936—2:15 p.m.

Received January 25—4:40 p.m.

III O 479.

On my return from Berlin, I had a conversation with Suvich today, the following points of which are worth noting:

1) Suvich judged the Geneva negotiations to be in no way decisive, not even with regard to petroleum sanctions.¹ He thought that Britain's policy had probably not changed in principle; nevertheless, a certain withdrawal from her previous active rôle of leadership in the sanctions question could be observed. With regard to the British *démarches* with the Mediterranean Powers, which Italy must consider completely unjustified, all that was necessary had been said in the Italian Memorandum.² The participation of Czechoslovakia and Rumania, which had been quite uncalled for and had not even been requested by Britain, must arouse particular resentment in Italy. Suvich judged the situation with regard to the Abyssinian conflict as follows: Italy was in a position to continue her action and her resistance to sanctions for a long time to come, especially since the military situation had fundamentally improved and was thoroughly satisfactory. Internal conditions in Abyssinia were extremely dubious. He personally believed that fresh possibilities of a compromise would soon appear, even though there was as yet no evidence of this. The South Americans, the Pope, or other third parties he considered to be less important in this respect than France and Britain themselves. Even a left-wing Government in France, such as has just been formed,³ would be confronted by the decisive fact that the French people utterly rejected war, unless in defence of their own frontiers. But were the present state of affairs to continue for any length of time, this must lead either to fresh complications or to a peaceful settlement; at present there was a French inclination towards mediation, which

¹ On Jan. 22 the Committee of Eighteen resolved to set up a committee of experts to examine trade in and transport of petroleum and its derivatives, with a view to reporting on the effectiveness of extending embargo measures to these commodities; see League of Nations: *Official Journal*, Special Supplement No. 148, pp. 7-9.

² The reference is to the *Note Verbale* of Jan. 24 (for the text see British White Paper: *Dispute between Ethiopia and Italy*, Cmd. 5072 of 1936, No. 9) addressed by the Italian Government to each of the States participating in sanctions, as a rejoinder to the British memorandum relating to mutual support under Article 16 of the Covenant transmitted on Jan. 22 to the Chairman of the Co-ordination Committee (for the text see *ibid.*, No. 1).

³ The Laval Cabinet resigned on Jan. 22; a new Government under M. Sarraut, with M. Flandin as Foreign Minister, was formed on Jan. 24.

would persist in future too. As for Britain, her interests and difficulties elsewhere were so important that they would necessarily continue to grow after the Abyssinian conflict had been cleared up. Italy would not do anything unworthy but would not reject any possibilities of investigating a peaceful settlement, nor would she, for the time being, either withdraw from the League of Nations or denounce Locarno.

2) The conversation then turned to the Franco-British conversations and agreements and to the statements on the subject in Berlin.⁴ I informed Suvich about the matter in the sense of despatch II R 62 of January 20.⁵ Suvich said that he, too, did not believe that Anglo-French agreements went beyond the limits which both had announced. But that the conversations had covered other eventualities too, especially within the framework of the Treaty of Locarno, could hardly be in doubt, particularly in view of the familiar remark by the British Ambassador in Berlin about airfields in Belgium and France. With regard to bilateral subsidiary agreements in addition to the air pact, Italy was primarily interested in the exclusion (which as we know, had been envisaged from the very beginning) of mutual support between Britain and Italy. In fact, it would probably not be possible to do without bilateral agreements, but only, of course, in the form of an overt arrangement, known to all the participants, within the framework of Five Power discussions. France had replied to the Italian enquiry in Paris, which Mussolini recently mentioned to me,⁶ about the relationship between the Italo-French military discussions and the new Franco-British agreements, by saying that they were not affected; in all her other agreements France had always reserved the obligations devolving upon her under the Covenant of the League of Nations, and it was these that were now involved. Suvich added that, even though it was difficult to raise legal objections to this, Italy nevertheless held that the conduct of certain Powers during recent months constituted a serious threat to all previously concluded peace pacts of whatever kind, because it was in contravention of their spirit. As for Stresa, Italy certainly did not wish to return to this system.

HASSELL

⁴ See documents Nos. 494, 496, 498 and 501,

⁵ See document No. 501, footnote 3,

⁶ See document No. 485.

No. 520

5817/E424017-19

Memorandum by the Foreign Minister

BERLIN, January 25, 1936.

RM 64.

Rk. 974.

The Polish Foreign Minister, Beck, came to see me this afternoon, having just arrived from Geneva. He told me the following: When he arrived in Geneva he had found that there existed an extremely ugly mood about the Danzig question. As a result of Lester's report and apparently also of other subterranean influences, it had been assumed by League Council circles that the German Government were behind the Danzig Senate's attitude and intended to launch their campaign against the League of Nations from Danzig. In consequence, the prevalent attitude towards Germany had been extremely hostile. His first endeavour had therefore been to make it clear to League circles that this view was mistaken. Eden too had at first shared this view. The sentence at the end of Eden's original draft resolution, which envisaged a sort of executive mandate for Poland, had given him an opportunity of exerting a moderating influence by pointing out that, if Poland, as the neighbour State and country chiefly concerned, were to be given special tasks, then at least her views should be heard and taken into account when drafting the resolution. After repeated conversations with Eden he had succeeded in persuading him to alter the original draft resolution.¹

He had been in touch with Herr Greiser from the outset and had asked him which points he found most objectionable. Herr Greiser had told him that the points relating to the invalidity of the elections and to the Press Chamber were the most dangerous for the Danzig Government. Thereupon, having realized that this was so, he had endeavoured to make it clear to Mr. Eden that the invalidation of last year's elections would automatically create chaos in Danzig, thus turning Danzig into a constant source of danger, not only to Poland as her nearest neighbour, but also, in consequence of the repercussions on Germany, to the whole of Europe. Naturally Herr Greiser had had to make certain concessions in order to allay to some extent the hostility of the Council of the League of Nations. M. Beck added that Herr Greiser's bearing and his speech had made a very good impression on the members of the Council of the League of

¹ The Missions in Warsaw and Danzig were informed by despatch e.o. IV Po. 690 Ang. I of Jan. 31, and the Missions in Rome, Paris and London under Ang. II of Feb. 4, of the important alterations in the original draft resolution which had been achieved by the Danzig Delegation, especially in negotiations with Eden and Beck (9062/E636125-37).

Nations and had helped to pour oil on the troubled waters. But steps must now be taken to ensure that what Herr Greiser had undertaken would indeed be carried out, for otherwise we must expect resolutions of grave import to be passed against the Danzig Government at the next opportunity.²

V. N[EURATH]

² This document is marked: (i) "The Chancellor is informed. (2) To the competent official for his information. (3) To be filed. L[ammers], Jan. 29."

No. 521

147/78382

Memorandum by the Foreign Minister

BERLIN, January 25, 1936.

RM 66.

When he called on me today, M. Beck also spoke about the Corridor payments and urgently requested that, for the sake of maintaining the present amicable political relations between Poland and Germany, discussions about the possibilities of settling these debts should at least be started. I told M. Beck that I thought I could promise such discussions for the near future, and I hoped that it would at the same time be possible to find some way of settling the question of future Corridor payments.

V. N[EURATH]

No. 522

116/66231-32

Memorandum by the Foreign Minister

LONDON,¹ January 27, 1936.

RM 72.

[IV Po. 739.]²

At his request I called on Mr. Eden this morning. After a few introductory remarks he opened the discussion by enquiring what I thought of the way in which the complaint about Danzig had been dealt with at Geneva.³ I replied that I must say quite openly that I had been greatly surprised by his treatment of the matter. In particular, I could not understand what had made him submit so impossible a resolution to the Council. It was my impression that he either knew nothing at all about conditions in Danzig or else that he had wanted to take this opportunity to strike a blow against the

¹ Neurath visited London Jan. 27-29, 1936, to attend the funeral of King George V on Jan. 28.

² Taken from another copy (9062/E636153-54).

³ See document No. 492, footnote 3

German Government. Nor could I understand how he could say in his draft resolution that the matter under discussion was a very serious one. In my opinion this affair had been important for a while only because he and the Council had made it important. I should like to know if he would pay the same attention to quarrels amongst the citizens of Exeter about their administration.

Mr. Eden replied that I was aware that he had been made *rapporteur* by the Council. He had not been able to pay much attention to Danzig's affairs, and the resolution had been drafted in the usual way by the bureau of the Council of the League of Nations; he hoped, however, that as a result of his collaboration with Herr Greiser and the Polish Foreign Minister he had settled the matter in a fairly satisfactory manner. I then said that in my view it was chiefly due to the mediation of the Polish Foreign Minister and the accommodating attitude of Herr Greiser that worse harm had not been done in Geneva. Moreover, I wished to state that I thought it would be desirable for him and the British Government to concern themselves as little as possible with Danzig's internal affairs. I believed that in that case the serious situation which he feared would never arise there.

FRHR. VON NEURATH

No. 523

7467/H182859-62

Memorandum by the Foreign Minister

LONDON,¹ January 27, 1936.

RM 71.

II R 131.

During my today's conversation with Mr. Eden he asked me whether there had been any change in our attitude to the Air Pact question. I replied that this was not the case; we had set forth our views in detail to the British Ambassador.² Mr. Eden then said of his own accord that he agreed that this was not the right time to start negotiations on an Air Pact, and that it would be better to wait until the complicated situation created by the Abyssinian-Italian conflict had sorted itself out. I pointed out to Mr. Eden that, since the time when, at Sir John Simon's request, we had submitted a draft Air Pact in London,³ there had arisen a factor which was likely to render the realization of an Air Pact considerably more difficult, namely, the

¹ See document No. 522, footnote 1.

² See documents Nos. 496 and 501.

³ See documents Nos. 106 and 113.

Franco-Russian Pact. It must be understood here in Britain that, in considering our defence policy, we could not leave out of account this military alliance, which had been further reinforced by a similar alliance with Czechoslovakia. After all, we regarded Bolshevism as one of the most dangerous factors threatening the peace of Europe. Mr. Eden thereupon remarked that, as I knew, he did not share this opinion. I told him I wished that he might be proved right; for the time being, however, we held a different view and would act accordingly.

When I asked whether Eden thought that the Franco-Russian Pact would now be ratified, he said he could not say at present.

Mr. Eden then declared that he particularly wished to stress that the British Government were not in any way hostile to Italy or to Mussolini; that they had taken such stringent action against the Abyssinian undertaking and its originators merely because they could not suffer the Covenant of the League of Nations to be wilfully violated by a member of the League of Nations. Britain fully recognized Italy's claim to colonies; but she could not allow this claim to be realized by the use of force by one member of the League against another.

We then discussed the Locarno Pact. Mr. Eden said that he had learned not only from the British Ambassador's reports but also from comment in the German press that we had been disturbed about the talks between the French and British General Staffs. He could solemnly assure me once again that during these discussions nothing had been said that in any way went beyond the narrowest limits of military requirements in the event of an Italo-British or Italo-French conflict. I thereupon replied that it was true that these talks had disturbed us. We had had unpleasant experiences with such staff talks once before. Moreover, as far as the Locarno Pact was concerned, the Reich Chancellor had repeatedly said that he would abide by it as long as the other side did so too. If, however, the other signatories or guarantors of the Locarno Pact should conclude bilateral agreements contrary to the spirit of the Locarno Pact, we should be compelled to reconsider our attitude to the Locarno Pact. We considered bilateral agreements between members of the Locarno Pact as wrong and, in any case, as entirely superfluous too. The Locarno Pact had worked so far without such agreements and I saw no necessity now suddenly to conclude technical agreements for the contingency of the Locarno obligations becoming operative. Nor, after the Führer's repeated statements that he was not pursuing any frontier revisions in the West at France's expense, was there the slightest reason to make technical preparations for putting the machinery of the Locarno Pact into effect.

Mr. Eden agreed with these statements and merely remarked,

somewhat apologetically, that, in view of the instability of French Governments, it was difficult to keep to the course outlined above. I replied that if there were uniformity between the German and British policy concerning events in Europe, it would not be difficult to put an end to the unrest which today was prevalent everywhere.

I then asked Mr. Eden what course he thought the Abyssinian-Italian war would take, or rather, how it would end. He replied that at present he saw no way out. Britain would in any case make no further mediatory proposals nor, presumably, would France. One must now simply let matters take their course.

The conversation, which lasted an hour, was marked by the thoroughly friendly and conciliatory tone taken by Eden, even after my remarks on his attitude in the Danzig case.⁴ Eden concluded by expressing the desire that I should also call upon Prime Minister Baldwin, who would like to talk to me. I replied that I was awaiting an invitation from the Prime Minister and would then call upon him at any time.

FRHR. V. NEURATH⁵

⁴ See document No. 522.

⁵ Another copy of the document here printed (M194/M006124-27) bears a marginal note: "The Foreign Minister told me that he deliberately avoided raising the colonial question. D[ieckhoff], Jan. 31." For Eden's account of this conversation, see British Blue Book, Cmd. 5143 of 1936, No. 50.

No. 524

6690/H097955-57

*Minute by the General Manager of the Russia Committee*¹

CONFIDENTIAL

[Berlin,] January 27, 1936.

[W IV Ru. 512.]²

NOTE OF A MEETING HELD AT THE HOTEL ESPLANADE ON JANUARY 24, 1936, TO DISCUSS OUTSTANDING QUESTIONS CONCERNING THE PROPOSED NEW GERMAN-RUSSIAN ECONOMIC AGREEMENT FOR 1936

Present: The Head of the Russian Trade Delegation in Berlin, M. Kandelaki,
the Deputy Head, Direktor Friedrichson,
the Director of the Commercial Policy Section, Gassjuk;
The Chairman of the Russia Committee, Direktor Dr. Reyss,
and the General Manager.

¹ Major Fritz Tschunke, General Manager [*Geschäftsführer*] of the Russia Committee of German Industry.

² This number is taken from a minute of Jan. 30 by Dittmann (6690/H097954) with which the document here printed was submitted to Senior Counsellor Roediger and to the Economic Department. It reads: "According to information received from the Reich Ministry of Economics, Kandelaki has succeeded, by making a direct telephone call to President Schacht at the Directorate of the Reichsbank (thus circumventing the Ministry of Economics), in obtaining an appointment with President Schacht for today, (Jan. 30)."

In view of the hold-up in the negotiations with the Reich Ministry of Economics (President Schacht's annoyance over Molotov's speech in Moscow,³ differences with regard to the settlement of the remainder of the debts, the Russian export embargo⁴ etc.), the Head of the Trade Delegation invited Dr. Reyss and myself to the Hotel Esplanade on January 24, 1936. The Russians were obviously trying to cause Dr. Reyss to mediate in the negotiations between themselves and Dr. Schacht. The Russians repeatedly expressed their regret over the misunderstanding which had arisen over Molotov's speech and assured us that they were very anxious to bring the negotiations to a conclusion as soon as possible and that they were continuing as hitherto to make every endeavour to secure good German-Russian economic relations. They desired Dr. Reyss to take occasion as soon as possible, and at any rate before the visit which M. Kandelaki proposed to pay President Schacht on January 29/30, 1936, to explain personally to President Schacht the following concessions and wishes of the Soviet Government:

1. The remaining debts for the year 1936 amount to about 55 million RM, of which it has already been arranged to pay 5 million in settlement of the business of the Potash Syndicate. The remaining 50 million Reichsmark are to be paid partly in gold and foreign exchange and partly in imports of goods. With regard to the quota, Dr. Reyss succeeded in persuading the Russians to pay in gold, with the exception of 12 million RM; these 12 million are to be used for the payment of German shipping freights, technical assistance, installation fees, interest services, and maintenance costs of the Embassy and the Trade Delegation.

2. The ratio of 1:1 for current trading required by President Schacht is presenting difficulties. The Russians desire to avoid creating a precedent *vis-à-vis* Britain, with whom a ratio of 1:1:1 has been agreed upon but only from 1938. The Russians also mentioned that the ratio of 1:1 was not feasible because the sales for cash did not correspond, where timing was concerned, with the payments for orders (delivery dates!).

The Russians wish to import into Germany a minimum of 110 million Reichsmark worth of goods and, moreover, goods desired by Germany such as naphtha, manganese ore, timber, flax etc.

Here we at once objected that 110 million was too little, we must insist on at least 150 million. The Russians replied that this could be for negotiation. But they emphasized once more that they must be entitled to dispose freely of the proceeds from sales, that is to say, for the payment of debts and for orders.

3. The Russians agree to a 500 million credit on a bonded loan

³ See document No. 489 and footnote 1 thereto.

⁴ See document No. 502 and footnote 1 thereto.

basis and with a ten year duration. They are, remarkably enough, prepared to place orders to the value of 250 million Reichsmark with German industry for such goods as the latter wish to supply. On the other hand, they want to place orders for 250 million RM worth of goods of their own choice, mainly war material (warships, aircraft and other things of interest to them). If this stipulation cannot be fulfilled, then they are not interested in the 500 million credit.

Herein lies, in my view, the chief difficulty in the way of coming to an agreement. It should be possible to get over the question of a settlement on the debt repayments mentioned under section (1) above. At any rate, the agreement should not be allowed to founder on these 12 million.

In general the terms of payment, interest rates, contracts in Reichsmark, etc., should apply as heretofore in the case of the 200 million credit.⁵

Dr. Reyss promised the Russian gentlemen that he would convey these wishes, but he particularly stressed that he was neither authorized, nor in a position, to state any views on the various points. He said he would go at once to the Reich Ministry of Economics to report there, and at the same time to seek an interview with President Schacht.

Dr. Reyss and I informed Ministerialrat Mossdorf and Regierungsrat Dr. von Spindler at 5 p.m. Ministerialrat Mossdorf undertook to make an appointment with President Schacht and will let us know definitely on January 27 or 28, 1936.

TSCHUNKE

⁵ See document No. 21.

No. 525

6117/E454494-97

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 8 of January 27

ROME, January 28, 1936—11:45 a.m.

Received January 28—4:00 p.m.

II Oe. 310.

I called on Mussolini today and discussed the political situation with him, on the basis of my stay in Berlin. Mussolini seemed to me to be physically fresher and noticeably more optimistic, at any rate about the situation in Abyssinia, than when I last saw him.¹ I began by making some statements, in accordance with your instructions as confirmed by telephone, in the sense of Part II of my memorandum

¹ See document No. 485.

of January 20.² In so doing I chiefly stressed three points, namely, first, an exact repetition of the statement he had made to me on January 6 about the Austrian question; second, the resultant necessity for the Italian side to exert their influence in Vienna towards an understanding with Berlin and against any *rapprochement* with Czechoslovakia; third, the precondition for both benevolent neutrality on Germany's part and the removal of the Austrian burden on German-Italian relations must be both a state of genuine mutual trust and the certainty that Italy did not wish to return to Stresa.

Mussolini, who followed, in particular, my repetition of his previous statements with the greatest attention, said that I had interpreted his views correctly. His interest in Austria and her internal party conflicts had naturally greatly diminished. Italy was now faced with a military bloc created by Britain and no longer saw any occasion to engage herself in respect of Austria, who, as already stated, was an independent but German State. He had urgently advised Schuschnigg against going to Prague now,³ whereupon Schuschnigg had assured him that he did not intend to enter into political relations, but wished primarily to discuss economic matters. Nevertheless, according to reports which Mussolini had to hand, Schuschnigg had raised all sorts of political questions, but had encountered surprising intransigence. He had professed himself a monarchist, but had been compelled to realize that all three members of the Little Entente adhered to the Bled resolutions concerning a restoration;⁴ Czechoslovakia had also declared herself opposed to a Starhemberg regency [*Reichsverweserschaft*]; moreover Schuschnigg would shortly be going to Budapest in order to pacify Hungary, who had become suspicious. When I drew Mussolini's attention to the Vatican's activities, he said that Nuncios had great political ambitions, but the political power of the Vatican was no longer as great as it once had been; this, incidentally, had also become apparent in the Italo-Abyssinian conflict.

With regard to the second point, namely, exerting Italian influence in Vienna, I had stated that we ourselves had not as yet noticed any substantial signs of the necessary preconditions for an understanding with Berlin having been met there, and had asked whether he had dropped a hint yet. Mussolini replied that he had been waiting for my return and had not yet allowed anything at all about his proposal to come out anywhere. He would now have appropriate instructions sent to Vienna. I remarked at this point that there were still difficulties enough to be overcome, for the National Socialism indigenous in Austria had still to be freed from its bonds; furthermore, all concerned should be quite clear as to the distinction between political

² See document No. 506 and footnote 3 thereto. Hassell's draft for his statement to Mussolini, including an Italian translation, has been filmed as 7208/E529867-71.

³ Schuschnigg visited Prague on Jan. 16 and 17; see also document No. 543.

⁴ See document No. 292 and footnote 2 thereto.

intervention and the natural flow of political thought from the Reich to a country with the same language and national character; it should not be thought that an impenetrable wall could be erected. Mussolini replied that he would be the last person to believe such a thing. With regard to the third point, he once again repeated that, as far as he was concerned, Stresa was dead, agreed with me that a state of mutual trust must be the basis of improved relations and, as he did last time, declared that he was satisfied with Germany's policy of neutrality. Mussolini let it be seen that Britain's political activities in the League of Nations and in the Eastern Mediterranean had greatly disquieted him; he appears to think that oil sanctions are not impossible either, but said that, in view of the stocks he had accumulated and the other possibilities which had meanwhile been opened up, this would not constitute a threat to him for quite some time to come. Moreover, where the Mediterranean bloc created by Britain was concerned, Britain was mistaken if she supposed she had found reliable and effective allies. Yugoslavia, for example, was the country which was suffering most from sanctions and was most strongly pressing for a resumption of normal trade. He was, he said, not quite clear as to the real aim of British policy, but he was for the moment still inclined to think that Britain wanted to crush him. In the meanwhile Mussolini regards the new King as rather a favourable factor, because, as a new ruler, and by reason of his inner pacifist convictions [*aus innerer pazifistischer Einstellung*], he at any rate would wish to avoid war. Italy's relations with France were cooling off more and more, and the new Cabinet, No. 100,⁵ which would only last 100 days, contained many pronounced enemies of Italy and was composed almost entirely of Freemasons and people with similar ideas. Flandin was an Anglophile and was interested in Britain from the economic point of view; on the other hand, he was a shrewd and calculating man, who was probably at heart opposed to sanctions, and certainly, in any case, to war.

Mussolini considers the only conceivable way out of the *impasse* in European politics to be further Italian military successes in Africa and the resultant readiness of the Negus to make peace; should the Negus, under pressure of a situation which continued to develop in his disfavour, be prepared to make reasonable proposals, Mussolini would not reject them. I showed Mussolini the article on "Policy and Strategy" in the *Frankfurter Zeitung* of January 20, which he had read and which he considered to be substantially correct. He hoped that he would be able to go over to the offensive in the North as well; it was a mistake to assume that the rainy season rendered military

⁵ The Laval Cabinet resigned on Jan. 22, 1936; a new Government under the Radical Socialist Senator, Sarraut, with Flandin as Foreign Minister, was formed on Jan. 24.

operations impossible. Italian road construction was so organized as to make it possible to proceed even at that season.

Finally we reverted to the Austrian question; Mussolini repeated that he would issue the appropriate instructions for Vienna.

HASSELL

No. 526.

8656/E606098-100

The Minister in Austria to the Führer and Chancellor

CONFIDENTIAL

VIENNA, January 28, 1936.

A 561

Received January 31.

II Oe. 335.

Subject: The Restoration question.

My Yugoslav colleague, M. Nastasijević, has just called on me to inform me of a letter sent him by the Head of his Government for his information. It states that the French Chargé d'Affaires in Belgrade (in the absence of the Ambassador, Count Dampierre) made an official *démarche* with him, M. Stojadinović, on instructions from Laval, to ask that the Austrian Foreign Minister, Baron Berger-Waldenegg, should be received as soon as possible in Belgrade, Bled, or wherever else might be convenient. It was urgently desired that the discord between Austria and Yugoslavia, which had arisen because of Schuschnigg's visit to Prague¹ and the latest Starhemberg speech,² be eliminated.

M. Stojadinović replied that he did not consider the visit opportune at the present time. Firstly, because such a visit ought to produce some kind of result—of which, however, there was no prospect—and furthermore, because the Starhemberg speech was to be taken as an obvious affront to the policy of the Little Entente and the Bled resolution.

M. Nastasijević further told me, in confidence, that the Little Entente had undertaken a joint *démarche* in Paris on account of Starhemberg's speech.

Prince Regent Paul, who passed through Austria on his way to London, had further instructed M. Nastasijević to inform me in confidence (with the request that I pass on the information to Berlin) that his and the Belgrade Government's attitude on the restoration question was, as before, one of rejection, and that the German

¹ Schuschnigg visited Prague on Jan. 16 and 17; see also document No. 543.

² On Jan. 19, at a rally of officials of the "Fatherland Front", Starhemberg declared that Austria refused to become a province of Greater Germany, that Austrian history could not be separated from the Habsburgs, and that his hearers could well imagine that the time might come when Austria and the Habsburgs would be reunited to the benefit not only of Austria, but of all Europe (see *The Times* of Jan. 20, 1936). Papen reported on Little Entente reactions to this speech in telegram No. 5 of Jan. 20, 1936 (8656/E606087).

Government could rely on the firmness of this policy. In view of the present situation, he was also prepared to improve his relations with Hungary in every possible way. The only impediment was M. de Kánya, who—as had long been known—was absolutely opposed to a Hungarian-Yugoslav *rapprochement*. They had full confidence in Gömbös. It would therefore be useful—in so far as Berlin was in a position to do anything in the matter—to work for Kánya's removal. Prince Regent Paul had, above all, expressed his fears about a coalition of the Catholic States, which he expected and foresaw, and into which Rome, Paris and Vienna were trying to push Czechoslovakia too. There were many indications that such a policy was being pursued with great vigour. Yugoslavia would thus be forced into a most uncomfortable position (Croatia). The whole of this policy was solely designed to separate Yugoslavia from Germany and to isolate the latter.

The Prince Regent will inform M. Nastasijević of the impressions he has gained in London on his return journey thence.

I would mention, finally, that my British colleague, Sir Walford Selby, called on M. Nastasijević yesterday, in order to inform him, on the occasion of a conversation about the memorial service for the late King, which took place today, that the British Government were determined not to agree to a Habsburg restoration in any circumstances. As the British Minister has so far always been most evasive on this matter and has always endeavoured to minimize its importance with regard to developments in the Danubian region, this new statement is indeed striking, and would seem to point to a fundamental change in the attitude of the British Cabinet.

PAPEN

No. 527

9722/E683666-70

The Foreign Ministry to the Legation in Hungary

STRICTLY CONFIDENTIAL

BERLIN, January 30, 1936.

VI A 188 V.

Subject: The visit of the Hungarian State Secretary, Pataky, to Berlin.

The visit of the Hungarian State Secretary, de Pataky, to Berlin from January 13 to 18, 1936, afforded an opportunity for several very detailed and frank discussions on the position of the German minority in Hungary.¹ Although M. de Pataky repeatedly emphasized that these discussions should not be regarded as official negotiations, it none the less remains the case that the conversations were held in the Foreign Ministry. These conversations led to no concrete results nor

¹ See also document No. 424.

could they be expected to do so. The real significance of this visit lies in the completely frank way in which the delicate problem of national groups was discussed.

On points of detail His Excellency M. de Pataky started by referring to Hungary's well-known desire for cooperation between the German and Hungarian national groups in the succession States.² In the course of his remarks he finally confined himself, however, to the following concrete proposal: A few leaders of the German and Hungarian communities in the Succession States, who were personally well acquainted with each other, should meet together informally and, under indirect guidance from Berlin and Budapest, see whether they could find a common basis in particular questions and, above all, whether means could be found to avoid the communities' working against one another. On our side we avoided probing more deeply into this delicate question; instead we brought up for discussion the practical question of the vital requirements of the German national group in Hungary, and this subsequently became the sole subject of our further conversations.

There were discussed in detail the German minimum demands:

An adequately comprehensive decree on schools,

Foundation of their own Teacher's Training College for teachers in the German minority schools, and

Autonomy for the *Deutsch-Ungarländische Volksbildungsverein* [U.D.V.—Hungaro-German People's Educational Association].

On our side we admitted that the first claim could be considered to have been met, provided the decree of December 23, 1935,³ were loyally applied.

That the remaining German claims should be rejected was only to be expected. The reasons given for refusing the German minority a Teachers' Training College of their own were based on the internal structure of the Hungarian school system; the grounds for the refusal to grant autonomy to the U.D.V. were stated to be the unfavourable atmosphere that the extremist wing of the Germans had created in all official departments in Hungary. Whilst this point was under discussion, M. de Pataky took the opportunity of putting forward very forcefully the Hungarian Government's request that the Reich Government should in future refrain from providing any financial support whatever for the German community in Hungary, because, he said, the money was mainly utilized for the support of the extremist

² See also document No. 139.

³ In despatch A 239 P 24 of Dec. 27 (M240/M008076-81), with which a copy of the decree was enclosed, Schnurre reported the publication of the new decree on schools by which the elementary schools of the linguistic minorities domiciled in Hungary, and particularly those of the German community, were to be placed on a new basis.

elements. M. de Pataky repeated this request several times, indicating that, should we fail to comply, the Hungarian officials would be compelled to take proceedings against the recipients of the money, a course of action which the Hungarian Government would deeply regret and one not calculated to promote our mutual political relations. To this we on the German side replied that we should strongly disapprove of any misapplication for illegal political purposes of funds supplied from the Reich and unmistakably destined solely for promoting cultural association. But at the same time we pointed out that the enquiries instituted in Berlin as to the uses to which the funds in question had been put had produced no evidence to justify the suspicions voiced by the Hungarian Government. If it were indeed the case—as appeared most unlikely—that other funds from the Reich were flowing into Hungary for some form of political purpose, we should be prepared to stop this, if we might be provided with definite information. But we were not prepared to stop the provision of funds destined to promote cultural and spiritual ties between Germany and the German communities living abroad.

His Excellency M. de Pataky was considerably nonplussed by this attitude and tried in every way he could to obtain from us assurances more satisfactory to the Hungarian Government. It was indeed only when State Secretary von Bülow, in a subsequent conversation, also rejected this request of his that he stopped trying to obtain more from us.

The following may be regarded as substantial results obtained from the conversations with M. de Pataky:

(1) The fact that it should have been possible, in several successive official conversations, to discuss the question of the national community as frankly as could be desired, and thus fully and effectively to bring to the attention of the Hungarian State Secretary for Minorities the German claims. In spite of the wide differences between us, M. de Pataky has proposed that the discussions should be continued in a few weeks' time.

(2) That M. de Pataky declared repeatedly and with emphasis that the Hungarian Government and every responsible politician in Hungary were fully conscious of the fact that only an exemplary policy towards minorities could provide Hungarian revisionism with a moral (and thus truly effective) propaganda basis. Although these assurances must be taken with a grain of salt, yet one must not overlook the fact that these statements were made, in the course of official discussions, personally by the State Secretary who is responsible for minorities policy.

(3) That the Hungarian Government at present appear to be prepared to regard even the slightest form of political activity on the part of the German national group as disloyal conduct. In his criti-

cism of the extremist elements of the U.D.V., M. de Pataky included an exceptionally widefield in his definition of the term "political activity", and even went so far as to object that a number of members of the U.D.V. talked politics together outside the confines of their association.

(4) That M. de Pataky pointed out very emphatically that, owing to the "disastrous activities" of the extremist elements of the U.D.V., the atmosphere had been so thoroughly poisoned that for a very long time to come the Government's good will in respect of making further concessions to the German national group, in addition to the school decree, would meet with the greatest opposition from both officials and the public.

I should be grateful to have your views, orally if so desired, on the various memoranda enclosed herewith (*which please return*)⁴ regarding these conversations and the statements and objections made by M. de Pataky.⁵

By order:
STIEVE

⁴ Not found.

⁵ In his reply, despatch A 39 P 24 of Feb. 15 (9722/E683671-79), Mackensen, while regretting that no formal agreements had been reached, welcomed the progress made. For details of the subsequent negotiations which preceded the publication of statements by the Hungarian Minister of the Interior and by Reich Minister Hess on July 15, 1937, see vol. VI of this Series.

No. 528

147/78388-84

Memorandum by the State Secretary

BERLIN, January 30, 1936.
[IV Po. 687.]¹

The Polish Ambassador called on me this afternoon at my request. I handed him the (annexed) memorandum, zu IV Po. 569, and added the explanatory remarks contained in the memorandum, which is also attached.²

The Ambassador then read the memorandum in my presence. On Section I, he said that in reducing the Corridor traffic his Government had had no unfriendly motives. But negotiations had now continued for so long without producing any results that the Polish Railway Administration had not been able to go on giving us credit for such large amounts. The Ambassador did not go into the legal aspects of our arguments. Regarding our suggestions in Section II, the Ambassador enquired whether we imported our tropical fruits, especially our

¹ Taken from another copy (5643/H000599-600).

² Not printed (147/78388-90); this is a brief by Roediger, dated Jan. 29, for Bülow's conversation with Lipski.

oranges, from Italy, Spain and Palestine, for Poland was already being supplied by these countries. I was unable to answer this question.

In respect of the next suggestion, the acquisition of Italian loans to Poland, he remarked that this had already been discussed in Warsaw as a possible method of payment. He made no comment on the suggested supply of goods. Last of all he asked whether a percentage of payments could not in future be made in foreign exchange; to this I replied in the negative on the grounds that an arrangement must be found which would ensure our being able to discharge our obligations in all circumstances. He then asked whether we would be prepared in principle to negotiate on the arrears which had accumulated, to which I replied in the affirmative, but with the proviso that these negotiations could only take place once the question of future payments had been settled.

The Ambassador promised to report to his Government without delay.

BÜLOW

147/78891-92

[Enclosure]

zu IV Po. 569

MEMORANDUM

I

The Polish Minister of Transport's threat to the German Reichsbahn [State Railways]³ to cut the passenger and goods traffic between East Prussia and the rest of the Reich by more than 50 per cent, with effect from February 7, has caused considerable astonishment. Through no fault of Germany's, certain difficulties have arisen over the methods of payment for transit traffic; these difficulties are due solely to the Reich's well-known foreign exchange position. This state of affairs by no means constitutes sufficient justification for the proposed cut in transit traffic. It was indeed the object of the Paris Treaty of April 21, 1921,⁴ to secure completely free and unhindered transit traffic through the ceded territories. The German Government's chief concern must be that this principle shall be maintained in all circumstances, and shall not be violated by any cuts in traffic made on purely

³ Copies of the Polish Minister of Transport's communication to the German Reichsbahn of Jan. 21 were sent by the Reichsbahn to the Reich Chancellery, the Foreign Ministry and other Departments on Jan. 24 (5246/E311806-12). In a memorandum of Jan. 24 (9172/E645278-79) Lieres recorded that the Polish Commercial Attaché in Berlin had that day, on Lipski's instructions, officially informed the Foreign Ministry of the Polish Minister of Transport's action and had urgently requested that the German Government should inform Lipski by Jan. 29 at latest of how they envisaged further developments.

⁴ i.e., the Convention concerning Freedom of Transit between East Prussia and the rest of Germany, signed at Paris, Apr. 21, 1921, by Germany, Poland and Danzig; for the text see League of Nations: *Treaty Series*, vol. xii, pp. 61-175.

financial grounds. The German Government cannot, therefore, recognize the Polish measures and must demand their withdrawal.

II

Germany is prepared to begin by opening negotiations with the Polish Government on the question of regulating transit traffic in future, in accordance with a suggestion by Count Szembek,⁵ and without prejudice to the question of settling transit traffic debts so far incurred. The discussions would embrace both the payment of transit traffic debts incurred in future and the possibilities of limiting the debts by decreasing the obligations.

In the German view there are several ways in which these debts could be paid.

For instance, Poland could in future import from Germany coffee, cocoa, and possibly also tropical fruits (oranges, bananas), and the sums owing to the Polish State Railways for transit traffic could be paid out of the balance accruing. Poland would thus be saved expenditure in foreign exchange to the amount of these imports.

One particular possibility would be repayment in stock of the Italian loan to Poland, which, as far as is known here, is to a value of 100 million Zloty and matures in 1940.⁶ Germany is in a position to make stock of this loan available as payment.

Should the above proposals for settling the debts arising from transit traffic with East Prussia not suffice, Germany is, now as ever, prepared to supply goods to Poland over and above the quantities laid down in the Commercial Treaty.⁷

In this connection there might be question, for example, of supplying ballast to the Polish State Railways; it appears that the Polish side have already been in negotiation with the Association of Silesian Ballast Works in Breslau on the basis that the sum of about half a million Reichsmark involved should be paid out of the transit traffic dues owing to the Polish State Railways.

Germany is most willing to engage in transactions of this nature. The possibility of supplying railway materials, ships, motor cars and machinery for roadbuilding might also be considered.

⁵ Reported by Moltke in despatch V III 3a of Jan. 10 (9172/E645250-53).

⁶ A minute by Counsellor Mackeben dated Feb. 3 states that according to expert information there were no holdings of this loan in Germany and that the loan would mature in 1944, not 1940 (5643/H000591).

⁷ See document No. 390, footnote 3.

No. 529

7846/E569385-90

The Ambassador in Great Britain to the Foreign Ministry

A 473

LONDON, January 30, 1936.

Received January 31.

II R 128.

Subject: Air Pact question.

With reference to my report A 349 of January 25.¹

When I realized, from the official information sent to me about the conversation between the British Ambassador and the Führer and Chancellor on December 14, 1935,² that in dealing with the Air Pact problem Sir Eric Phipps had more or less put it forward as a British demand that there should at the same time be concluded bilateral agreements about the creation of British air bases in France, I could at first not understand such a proposal at all, since in this form it could not be reconciled with the conversations which I had had here on this question at the Foreign Office.

Following a suggestion by Wigram, which reached me through Prince Bismarck, that we should have a personal and informal discussion, I attempted to clarify the matter in two long conversations with Wigram. Since, during our first conversation, certain small differences of opinion arose as to the course of events, I drew up the memorandum attached as Enclosure I, which gives an account of the course of the negotiations on the Air Pact with reference to the question of the "bilateral agreements".³ I gave a copy of this memorandum to Mr. Wigram, emphasizing that it was only a matter of informal personal conversations between us, after Wigram had informed me that he fully agreed with the contents of my memorandum.

The course of the conversations conducted here, in so far as they concern the question of bilateral agreements, can be clearly traced from the memorandum; other aspects which are of no interest in this connection have been omitted.

Wigram added a few interesting supplementary items. He told me that the French Ministers had come to London at the beginning of February of last year with the obvious intention of bringing about a bilateral air agreement with Britain. During a discussion on this question the British General Staff had most decisively opposed the conclusion of such an agreement, so that the British Government had rejected the French request. This position had then given rise here

¹ Not printed (7467/H182838-42); in this report Hoesch commented on certain aspects of the recent conversations in Berlin, of which he had been informed by despatch II R 62 of Jan. 20 (see documents Nos. 496, and 501 with footnote 3 thereto).

² See document No. 462 and footnote 6 thereto. The conversation took place on Dec. 13.

³ In English in the original.

to the idea of an Air Locarno and Sir John Simon had, as indeed was clear from his well-known broadcast of February 3 of last year,⁴ been enthusiastic about the idea that he, following in the footsteps of Sir Austen Chamberlain, would now be able to contribute an Air Locarno to the system of safeguarding peace. They had then parted from each other under a hidden or only half realized misunderstanding; while the British Government were under the impression that the idea of bilateral agreements was now done with, and that they could proceed anew quickly to realize an Air Locarno, the French negotiators had clearly continued to cherish the hope that it would be possible to achieve the desired bilateral agreements within the scope of the Air Pact which it was intended to conclude on the basis of Locarno.

It will be remembered that France, who right at the beginning did not entirely appear to reject the possibility of dealing with the Air Pact question before the other points contained in the programme of February 3,⁵ very rapidly took up the attitude that the programme of February 3 could only be realized as a whole; it will further be remembered that the French succeeded, by exerting pressure, in inducing the British Government to acknowledge this point of view in contradiction to the broadcast statements which Sir John Simon made on the evening of February 3.

Then there suddenly appeared, in the Resolution passed by the Stresa Conference of April 14 of last year,⁶ under point No. 4, the remarkable phrase referring to possible "bilateral agreements".³ Paragraphs 3 and 4 of my enclosed memorandum briefly explain what attitude Wigram and Sir John Simon took to the representations made by the Embassy in this connection.

My memorandum goes on to show clearly the change which took place in the treatment of the Air Pact plan, when the conduct of foreign policy passed from Sir John Simon to Sir Samuel Hoare. As I have already explained in my previous report, Sir John Simon was an enthusiastic advocate of the Air Pact idea and tried to further it by suggestions made on his own initiative, such as asking for draft texts, or the entirely impromptu suggestion of a Conference at Lugano.⁷ He did not, however, see that his office kept pace with him, so that his suggestions lacked the necessary sub-structure of expert and practical preparation.

This contradiction emerges particularly clearly when one compares Paragraphs Nos. 5 and 6 with No. 7 of my memorandum, and it should be remarked that Counsellor Prince Bismarck's conversation with Wigram on June 6⁸ took place one day before Sir Samuel Hoare officially took over the Foreign Office on June 7.

⁴ For the text see *The Times* of Feb. 4, 1935.

⁵ See document No. 46, footnote 3.

⁶ See document No. 33, footnote 3.

⁷ See document No. 113.

⁸ See document No. 140.

The new Foreign Secretary then immediately took up the Air Pact problem with his characteristic thoroughness and practicality. He wished to make the conclusion of the Air Pact one of the chief aims of his foreign policy and soon arranged, as Wigram has confirmed to me, for a conference between the appropriate experts in the Foreign Office and the Air Ministry with a view to taking stock of the situation and ascertaining what possibilities existed. The conclusions drawn at this conference were set down in a document which Wigram read out to me. This document began by stating that, before proceeding to actual negotiations over a text, a whole series of questions needed to be clarified; these questions were then listed. Among these questions, which included *inter alia* the problem of excluding the mutual guarantee between Great Britain and Italy and the problem of whether Germany would have to undertake a guarantee *vis-à-vis* Britain and Italy, there was also listed at the end the question of "bilateral agreements".⁹ It should here be mentioned that, during the period in question, as Sir Robert Vansittart also indicated to me on July 9,⁹ the British Government's power to influence France had considerably decreased since, as was known, France held that the British had in a sense broken faith by concluding the Anglo-German Naval Agreement.

There then took place on August 1 the important discussion between Sir Samuel Hoare and myself¹⁰ to which the Foreign Secretary had invited me and during which he formally requested me to get the German Government to state their views on the question of "bilateral agreements".³ Wigram told me that the Foreign Office had prepared a memorandum for the Foreign Secretary for this occasion, which Sir Samuel was in fact supposed to read out to me. He did not, however, do this but merely spoke freely in the sense reported by me. I naturally rejected the idea of bilateral agreements most vigorously. In this connection I refer to Paragraph 10 of my memorandum.

The Foreign Office memorandum which Wigram has now read out to me contains two proposals which are more or less intended to be offered as alternatives. The first proposal concerns the possibility of Britain's making use of French airfields in the event of a German attack, the justification for this being that it would to some extent only be creating a military equilibrium if it were to be made easier for Britain to operate against Germany in the event of a German attack, since in the event of a French attack joint German-British air operations against France could be conducted simultaneously and most effectively from the west and the east. The second and alternative proposal envisaged the granting of reciprocal rights of supervision to the respective air attachés.

⁹ See document No. 201.

¹⁰ See document No. 243.

This memorandum formed the basis for the instructions sent Sir Eric Phipps for his conversation on the subject of the Air Pact with the Führer and Chancellor on December 14 of last year.² As I have already mentioned in my previous report, it is thought here that the Ambassador, who apparently read out the memorandum, or parts of it, more or less without comment, was not very adroit in conducting the conversation with the Reich Chancellor. It is felt that a much more unfavourable impression was thus made on the leading German authorities than the simple statement of British views should in fact have produced. In particular, Wigram said, the fact that alternative proposals had been made, and also that it had only been a matter of discussing possibilities, had apparently not been made altogether clear to those to whom the Ambassador spoke.

When I had once again told Mr. Wigram that we were in principle opposed to the idea of bilateral agreements, I enquired whether he could communicate to me the text which had been the basis for Sir Eric Phipps' *démarche*. Wigram promised to obtain authorization to do this and has recently sent me the text. I submit a copy of this text, which gives all the details about the form and nature of the British proposals, as Enclosure II. Wigram expressly asked me to point out, when forwarding the document to Berlin, that this was a secret Foreign Office document and that no official reference could subsequently be made to it.

I would venture to add that I reported orally to the Reich Foreign Minister about the above-mentioned occurrences while he was here,¹¹ and I have also given him a copy of my memorandum and of the British Government's document.

HOESCH

7846/E569398-401

[Enclosure 1]¹²

1) In a conversation with Sir John Simon on the 14th of March,¹³ in which the Air Pact Problem was amply discussed, no mention was made of the idea of bilateral agreements.

2) The first mention of the "bilateral agreements" appeared in the Joint Resolution of the Stresa Conference of April 14th⁶ (White Paper Miscellaneous No. 2).

3) On the 17th of April Bismarck had a conversation with Mr. Wigram,¹⁴ in which the meaning of this mention of "bilateral agreements" was discussed. Mr. Wigram declared he could assure Bismarck that there did not yet exist any clear idea whether such "bilateral

¹¹ See document No. 522, footnote 1.

¹² The text of this enclosure is in English in the original. A marginal note reads: "Memorandum by Hoesch on the development of the question of bilateral agreements. v. N[eurath], Jan. 31."

¹³ See vol. III of this Series, document No. 528.

¹⁴ See document No. 68 and footnote 1 thereto.

agreements" would be necessary or not. He mentioned as a possible theme of such agreements the special status to be fixed with regard to the mutual position of England and Italy.

4) In a conversation I had with Sir John Simon on May 4th,¹⁵ Sir John declared that No. 4 of the Stresa Declaration was only a hypothetical provision and that, as far as England was concerned, it was in no way intended to make that hypothesis a reality. But he added that from other sides the question had in fact been raised with a view to provide for the immediate practical effectiveness of the Pact. I made strong objections and Sir John did not contradict my supposition that France and Italy wished to prejudice the Pact by mutual military arrangements. He insisted again that nothing had been done and that only a hypothetical possibility had been mentioned. He then asked me to propose to the German Government that they should submit to the British Government a draft proposal of the Pact.

5) On May 28th I handed our draft proposal to Sir John.⁷ We discussed the whole draft, which in Article 4 provides that none of the contracting parties shall conclude any special arrangements relating to the execution of their engagements. Sir John did not give a definite reply with regard to that Article, but raised no objection. He then discussed the possibility of a meeting between the Locarno powers, for instance at Lugano, in view of a rapid conclusion of the Pact. He declared that the British Government were anxious to obtain from France and Italy their consent to the conclusion of the Air Pact independently of other problems.

6) The next day—May 29th—Sir John declared again,¹⁶ in another talk with me, that the moment for an exchange of views between the five powers concerned with a view of fixing the text of the Pact had arrived and that he was going to enter into communication with the other powers concerned. The question of the "bilateral agreements" was not even mentioned.

7) On the 6th of June, Bismarck had another conversation with Mr. Wigram,⁸ who said that many questions would have to be cleared before one could really proceed to useful negotiations between the five powers. It was no use hurrying the Air Pact Problem, one had to handle it carefully and in a businesslike way.

8) On the 9th of July, Sir Robert Vansittart told me⁹ that the British Government had had to come to the conclusion that the French Government was not willing to consent to a separate negotiation of the Air Pact and that no useful purpose would be served if Great Britain continued to urge the matter in Paris. The French would only become more obstinate.

9) A few days earlier Sir Samuel Hoare had spoken to me in the

¹⁵ See document No. 68.

¹⁶ See document No. 117.

same sense declaring that, owing to the French objections, it was impossible to tackle the Air Pact in advance of the other points of the programme of February 3rd.

In all these declarations the "bilateral agreements" were not mentioned.

10) On the 1st of August Sir Samuel Hoare told me¹⁰ that the French Government were still not disposed to discuss the Air Pact without simultaneous discussions of the Eastern Pact, but that he had taken the decision to push the Air Pact forward all the same, the conclusion of which formed one of the principal aims of his foreign policy. He then spoke of the question of the "bilateral agreements" and observed that he knew well our objections and appreciated their value. He had, however, come to the conclusion that France could not be dissuaded of this idea. The British Government remained fundamentally opposed to any military agreements which would disturb the equal balance of the Locarno Treaties and they would not admit that the agreements should have the character of hypothetical military alliances. "Bilateral agreements" of the kind he envisaged could not go further than to provide for the mutual use of aerodromes or for a continual contact between the Air Attachés of the interested powers. He asked me to insist in Berlin that the German Government should give up their opposition to arrangements of such a nature.

I explained to Sir Samuel that we could not take into consideration a suggestion of that kind which was contrary to the Air Pact as it was originally proposed and to the whole spirit of Locarno.

Sir Samuel still insisted and promised that England would stand on Germany's side against any attempt to extend the bearing of those "bilateral agreements" beyond equitable and bearable limits. Furthermore he said that the "bilateral agreements" should be open to the adhesion of all the parties concerned and should serve to make the idea of Locarno even more clear and genuine. He gave me to understand that France and Italy would conclude such "bilateral agreements" all the same and thus make the conclusion of an Air Pact ultimately impossible. Never the idea of "bilateral agreements" between England and France was mentioned [*sic*].

7846/E569402-04

[Enclosure 2]¹⁷

This is the substance of a note prepared in the British Foreign Office and Air Ministry last July for the guidance of Sir Samuel Hoare in his interview with the German Ambassador on August 1. It was read to the Chancellor by Sir Eric Phipps on Dec. 13.

¹⁷ The text of this enclosure is in English in the original. A marginal note reads: "Ambassador von Hoesch was given this paper in confidence. It is the basis of Phipps' *démarche*. v. N[eurath], Jan. 31."

The French Government have urged that as the efficacy of the Air Pact will depend entirely on the certainty of its immediate application, it will be useless without bilateral arrangements providing for its application as between different pairs of Powers. They hold this view so strongly that they have declared themselves to be unable to agree to the opening of a general negotiation unless all the five Powers agree that there should be such bilateral arrangements between such pairs of Powers as think them necessary. In view of the attitude of the French Government it is obvious that no progress can be achieved if their views are not taken into account. For that reason Sir Samuel Hoare asked the German Ambassador in London on August 1st to ascertain the German Government's views. His enquiry has not been answered, although Sir Samuel Hoare tried to make it clear to Herr von Hoesch that what he was asking was not that the German Government should agree at this stage to bilateral arrangements, but merely that they should undertake to agree subsequently to their conclusion, if they can be concluded between any two Powers in a form which those Powers may judge to be effective but which is yet sufficiently limited to render possible the conclusion of a similar agreement between any one of those Powers and a third Power.

Sir Samuel Hoare was aware that the German Government had already declared against such bilateral arrangements on the ground that it was impossible that they should be made in advance between A and B for meeting an attack by C and at the same time between A and C for meeting an attack by B.

The weight of this argument clearly depends on the character and contents of the agreements. We have told the French that the very fact that these bilateral arrangements may be mutually entered into by any two parties to the general Pact will make it necessary to limit the scope of any one arrangement; and that it will also be necessary to a certain extent to preserve a balance between the provisions which each may contain.

Under the present proposal we have ourselves no intention of entering into any bilateral arrangement which would discriminate against Germany in favour of France.

The advantage which we should derive from a bilateral agreement with France would probably be the use of certain French aerodromes in the event of hostilities. In the case of an agreement between England and Germany it would not be possible or necessary to include such a provision for obvious geographical reasons. For neither Germany nor England would require facilities in one another's territories for eventual operations against France, since each would naturally operate from its own territory. On the other hand, even with the free use of French aerodromes the British Air Force would be operating in foreign territory under extemporised conditions and they

would not therefore be in so favourable a situation as if they were operating from their own territory in cooperation with Germany against France. From this point of view it could not therefore necessarily be claimed that a bilateral arrangement which England might conclude with France, would constitute discrimination.

If, however, though admitting that an arrangement of this kind was not necessarily discriminatory, the Germans claimed that as they could give us nothing and we could give them nothing, the principle was meaningless for them, it might be possible to conclude bilateral arrangements under which mutual facilities would be afforded to the respective Air Attachés to satisfy themselves that the Air Forces of all the parties were maintained in a reasonable degree of efficiency to fulfil their obligations under the Air Pact. This proposal might to some extent be incorporated into the provision for a modified form of inspection which would have to be contained in any air limitation agreement.¹⁸

We have also told the French that our consent to such bilateral arrangements is dependent on all five Powers agreeing to the principle and on its being found that they will in fact make the general Pact effective.

As Sir Samuel Hoare explained to the German Ambassador on August 1st, the German Government are not being asked at this stage to agree to bilateral arrangements but merely to the general principle as defined and limited above. On this understanding and in view of the attitude of the French Government we consider that the German Government should agree to the principle and to the opening of the general negotiations on this basis.¹⁹

¹⁸ Marginal note in Neurath's green crayon: "!"

¹⁹ Marginal note (7846/E569404-05): "To Senior Counsellors v. Renthe-Fink and Frohwein. I understand the instructions, but I do not understand the ensuing *démarche* by Phipps nearly five months later. In the meantime Phipps must have received new and more far-reaching instructions. In my opinion these represent for us the important and unpleasant element of the situation. D[ieckhoff], Jan. 31." Copies of the document and enclosures here printed were transmitted to the Missions in Paris, Rome and Brussels, and to the Reich War and Air Ministries on Feb. 14 (8757/E610864-66). The covering letter to the two Ministries reads: "In a personal discussion during the last few days of January, the German Ambassador in London took the opportunity of ascertaining from Mr. Wigram, the competent official in the British Foreign Office, what Britain really intended by her latest Air Pact proposal. Ambassador von Hoesch's report on this is enclosed. Of special significance for assessing the British plans is the Foreign Office's internal memorandum, communicated in strict confidence, the arguments in which are summarized in a kind of alternative proposal: (a) the establishment of British aerodromes in France for the event of a German attack, or (b) the granting of reciprocal rights of inspection to the respective air attachés. Although, international discussion having been halted by the Abyssinian conflict, the problem is not at present to be regarded as acute, yet it is clear from the Foreign Office memorandum that the two alternatives mentioned would probably be very much in the forefront should the negotiations on the Air Pact question be resumed at a later date. The Foreign Ministry would therefore be grateful if they could be furnished with appreciations of the two proposals from the angle of air and overall military strategy. By order: Dieckhoff." In a communication of Mar. 13 (8757/E610869) the Reich Air Ministry stated that its appreciation had been sent to the Reich War Ministry, which would communicate with the Foreign Ministry. A marginal note dated May 2 states that no reply had been received.

No. 530

6690/H097960-61

Memorandum by an Official of Department II

BERLIN, January 31, 1936.
e.o. IV Ru. 520.

Ministerialrat Mossdorf of the Reich Ministry of Economics yesterday gave me the following confidential information:

On January 30 President Schacht had received the Trade Delegate of the USSR, M. Kandelaki, and his deputy, M. Friedrichson, in his (Mossdorf's) presence. The President had begun by making representations to M. Kandelaki and M. Friedrichson about Molotov's speech¹ and the Decree of January 16.² The Soviet representatives had raised no serious objections. M. Kandelaki had then communicated to President Schacht a draft agreement for the regulation of trade in the year 1936³, which the latter accepted as a suitable basis for negotiation. It is envisaged that the Russians shall pay about 50 million RM in gold or foreign exchange and shall in addition declare themselves prepared to make deliveries of goods to Germany in unlimited quantities. A clearing was envisaged in principle. Should the Soviet side sell more to Germany than they bought there, the favourable balance should remain at the disposal of the Russians for use inside Germany. Detailed discussions are to take place between the Reich Ministry of Economics and the Trade Delegation within the next few days. The Soviet side are concerned to conclude an agreement by the middle of February if possible.

During the visit to President Schacht, the Soviet representatives had also broached the question of the bonded loan [*Obligationsanleihe*]. The President had, however, refused to enter into discussion on this subject, on the grounds that it was not yet ripe for discussion, and confined the conversation to the trade agreement for 1936. Whether, in the course of further negotiations, the Soviet Delegation will attempt to link the loan with the agreement for 1936 cannot at present be foreseen.

With regard to the export embargo of January 16 last, President Schacht made it very plain to the Soviet representatives that he would regard a stoppage of naphtha deliveries during the negotiations as disloyal.

¹ See document No. 489, footnote 1.

² See document No. 502 and footnote 1 thereto.

³ Not printed (6690/H097962-65). A version of Article III (6690/H097966) bears the marginal note: "New version of paragraph 1 of Article III agreed with the Trade Delegation on Feb. 3 of this year in the presence of Reichsbankdir[ektor] Brinckmann." A second undated draft (6690/H097967-70) bears the marginal note: "Draft by the Reich Ministry of Economics for internal use." For the final text of the agreement, which was signed on Apr. 29, see vol. v of this Series.

Respectfully submitted herewith via Senior Counsellor Roediger to the Economic Department.

HENCKE

No. 531

5482/E382057-78

*Unsigned Memorandum*¹

I

[January, 1936.]¹

H.M. King George V.

On arrival I telephoned to announce myself to Sandringham (five hours by train from London) and enquired whether the King would be returning to London during January. The King was pleased, but thought he would not be returning to London before February. Much regretted that we could not meet, asked me to consider a journey to Sandringham as he was interested in some events in Germany.

A few days later the King died.

II

Lord Wigram

Chef de Cabinet to King George V.

As it was difficult to visit the King at Sandringham owing to lack of time and the many duties to be performed, I invited Lord Wigram, who happened to be staying with the Prime Minister in London at the time, to tea in Kensington Palace. A man already getting on in years, typical representative of the "old school". Brought up in the Edward VII way of thought, having, as a non-soldier, had no occasion, during or after the war, to alter his previous attitude towards Germany, he is, however well-intentioned—like the late King—undecided with regard to Germany's new position. At the same time he is inwardly convinced that peace in Europe can only be ensured if Germany and England collaborate and bring France in. He alludes in the same breath to France's fear of us, speaks of an invasion of Lithuania and of the rearmament of the Reich being directed against England.

He waved away my statements that German rearmament and attention were exclusively directed towards the East with the observation that "After all, Russia constituted no threat to Germany" as her

¹ The document here printed is a carbon copy which was sent by the Duke of Coburg's Chief of Staff, Nord, to Göring's private secretary, Gritzbach, under cover of a letter dated May 9, 1936 (5482/E382055-56) of which the relevant paragraph reads: "... The Duke gathered from the conversation he had the day before yesterday that there was a certain interest on the part of the Colonel General [Göring] for his mission in England. On the Duke's instructions I enclose herewith the January report to the Führer, which is perhaps somewhat revealing regarding a number of persons. Please return it in due course ..."

leaders, for all their shrewdness, were poor in military matters. It was this view which caused France, too, to fear a German invasion.

He asked point-blank what colonies Germany wanted back. I replied that Germany's basic claim to her old colonies was known.

He thought that the British Empire under George V was stronger than ever before, but, on the other hand, a successor would find the position of King very difficult.

He spoke of the declining birthrate in the United Kingdom [*Alt-England*] and of the refusal of the Dominions to allow immigration from the United Kindom.

He welcomed the appointment of Herr Kerrl as Minister of Church Affairs and spoke very warmly of the solution so far. Versailles he described as "American folly". It was England's task to lead Europe and the world out of the Versailles situation again. He only hoped that the widely held opinion that Germany was not prepared to contribute to a peaceful solution of this problem did *not* correspond to the facts.

III

STRICTLY CONFIDENTIAL

Only for the Führer and Party Member v. Ribbentrop
(No copy)

H.M. King Edward VIII.

First conversation on the day after the death of King George V on the occasion of carrying out the Führer's commission; a little more than half an hour (with pipe at the fireside). Following this I accompanied him on his journey to Buckingham Palace.

Second conversation during my visit to Her Majesty the Queen at tea.

Third conversation between State dinner and reception at Buckingham Palace.

The conversations took place in the same way as before in familiar frankness.

An alliance Germany-Britain is *for him* an urgent necessity and a guiding principle for British foreign policy. Not, of course, against France, but, of necessity, including her. In this way safeguarding a lasting European peace. Lebrun, a distinguished man, absolutely loyal, only moderately interesting politically as he has no say. Herriot, a wicked mischief-maker and agitator. Preferred Laval, who in spite of everything was relatively the most reliable. The rather frequent changes of government in France were disturbing for a long-term policy.

The League of Nations was a farce. Only a few nations decided things in the world—Germany, England, France, Japan, the United

States. All other conferences, whether at Geneva or elsewhere, gave a false picture.

Complained during the second conversation about Russia and Litvinov with whom he had, "unfortunately", just had to shake hands.

To my question whether a discussion between Baldwin and Adolf Hitler would be desirable for future German-British relations, he replied in the following words: "Who is King here? Baldwin or I? I myself wish to talk to Hitler, and will do so here or in Germany. Tell him that please."

Spoke well of Hess, whose visit to England, as a typical front-line soldier, he is looking forward to with pleasure. Not in a delegation but perhaps to lecture. Would receive him at any time, as he is interested in him as a personality.

Spoke appreciatively of Ribbentrop's activity and praised his conduct of the negotiations on the naval agreement. Considers him the best man for non-official German-British policy but at the same time would like a confidant of Ribbentrop's as Ambassador in London for the official policy. Criticized the lack of unity in the non-official German actions which were being taken with the object, which he welcomed, of bringing Germany and Britain together. A uniform policy, a clear course, no confusion and every person appearing in Britain on a political mission working to a plan *is what the King requests, also in support of his own efforts.*

He described Ambassador von Hoesch as "a diplomat as industrious as he is oily". "A good diplomatic representative of the German Reich, a bad representative of the Third Reich." The quantity of his connections did not equal their quality. He had the impression that his staff, too were not working loyally. "The second in command is looking for laurels for himself." As far as this is tradition—this an allusion to Kühlmann/Metternich²—then a bad one. He wished to have a representative National Socialist from Germany as Ambassador, who through his personal rank in Society belongs naturally to the "gentry"³ and who could be regarded both as the representative of the official policy and as the confidant of Hitler.

The King is resolved to concentrate the business of government on himself. For England, not too easy. The general political situation, especially the situation of England herself, will perhaps give him a chance. His sincere resolve to bring Germany and England together would be made more difficult if it were made public too early. For this reason I regard it as most important to respect the King's wish that the non-official policy of Germany towards England should be

² Richard von Kühlmann was First Secretary at the German Embassy in London during the last four years, 1908–1911, of the ambassadorship of Count Wolff-Metternich.

³ In English in the original.

firmly concentrated in one hand and at the same time brought into relations of confidence with the official policy. The, in this respect, peculiar mentality of the Englishman must be taken into account if we want to achieve success—which undoubtedly is attainable.

The King asked me to visit him frequently in order that confidential matters might be more speedily clarified in this way. I promised—subject to the Führer's approval—to fly to London at any time he wished.

IV

Capt. Eden
Foreign Secretary.

Came to dinner in Kensington Palace, at my sister's invitation, just after he had had a visit from Litvinov. Exhausted and vexed, greatly overworked and clearly suffering from heart trouble. During our conversation he was, however, cordial and friendly.

A tie between Germany, Britain and France was desirable. But preparations must be made very slowly. He thought that any forcing of the pace would be harmful. If it came about it would be a guarantee of peace. England was in no way anti-German or anti-Italian. England desired peace at all costs. He was aware that the measures which he thought necessary to this end might appear in a different light in different countries. English public opinion, which, as was apparent from the example of his predecessor, he was obliged to take most extensively into account in all his decisions, was against anyone supposed to be a disturber of the peace.

He said he was very pleased with the conversation which had taken place between Neurath and himself that morning.

Russia, and that part of the Balkans which had been infected by her, were afraid of Germany, hence aggressive speeches, alliance with France, alliance with Rumania, etc.

Unfortunately France was unreliable as a diplomatic and political contracting party. This was due partly to the very nature of French politicians, partly to the sometimes very rapid succession of different persons in office.

Mussolini's domestic policy was excellent, his foreign policy was bad. He had undoubtedly been manoeuvred into the Abyssinian adventure by Laval.

England was fundamentally for the League of Nations, although it was in need of reform. There was a possibility there of unity without grand alliances. In contrast to Duff Cooper, he wanted to leave the League of Nations roughly as it was, in view of England's having to pursue an extra-continental policy.

Eden wants to make a motor tour of Germany this summer. I have invited him to visit me privately in Coburg.

He expressed the hope that he would have the opportunity of seeing me frequently in London and said he would at all times be at my disposal for an unofficial exchange of views.

Eden is an Eton schoolfellow of mine. He has to be handled with especial care, as he is apt to jib.

V

Lord Monsel[1]

First Lord of the Admiralty.

As the funeral ceremonies and the Naval Conference made it impossible for him to find time to call on me, I went and saw him for about three-quarters of an hour in the Admiralty.

Pronounced and emphatic friendliness towards Germany. Displayed pleasure over the Naval Agreement and the way in which Ribbentrop had conducted negotiations. Is equally anxious for the German-English Air Pact.

Russia, he says, is afraid of us. Our idea of a threat to Germany from Russia he regards, at the moment anyway, as mistaken. Russia's military power could at best be set in motion eastwards, but not westwards. Also thinks that the quality and strength of the Russian air force has been greatly overestimated as a result of very skilful Russian propaganda tricks. He considers the chief Russian threat to lie in their admirably organized network of agents and money.

In passing, he expressed regret that, tied as he was by the constitution of the State, he was not, as Germany was, in a position to clear the Communists out of the shipyards.

He considered it absolutely essential for Germany and England to collaborate. Naturally never against France, though she was, unfortunately, unreliable over sticking to her political course. He called the French politicians a set of pettifogging lawyers with whom one could not conduct major policy.

He considers Japan's attitude where Europe is concerned to be chiefly a danger to England. Hirota was sensible, but the nationalism of the young colonels and generals was dangerous. He added that unfortunately Australia was napping

The danger of Japan's dominating China in the near future he did not take very seriously. He was much interested when, basing myself on my own personal experiences, I took a different view. This also enabled him to understand certain anti-British incidents in Siam.

He thought it quite within the bounds of possibility that England might accept an invitation to take part in the Skagerrak celebrations in Kiel this year, provided it was not talked of too soon or too much. The official invitation should be left as late as possible, but everything could be arranged privately beforehand. He took the view that it would be best if, for a while, the furtherance of German-British rela-

tions were left to a few people—as few as possible. The more people were involved, the more would know about it, and the greater the opportunity for opponents in England and France to put a spoke in the wheel.

He will put to the Führer, through me if need be, any wishes of an unofficial nature, without making use of the official machinery.

It then transpired that Monsell's Under Secretary, Admiral Guy Royle, is my old playmate from Esher, whose father was my father's physician. He too is at my disposal at any time. The conversation ended with the parting words "Our two fleets and your army—we rule the world."³

VI

Mr. Duff Cooper
War Minister.

Invited to dine at Kensington Palace. Was very unforthcoming at first, then became increasingly talkative when it emerged that we had been contemporaries at school at Eton.

That Germany and England should collaborate, and that France should be drawn in, seemed to him the only possibility for maintaining peace! But he suspects the good will of the others.

The League of Nations was, in its present state, impossible; it should consist only of the European States, better still only of the European Great Powers. That States outside Europe should belong was pointless, owing to the fact that the U.S.A. and Japan did not belong. The fact that small "politically witless" European States belonged, gave an entirely false slant to its resolutions.

France went in fear of Germany; many were daily expecting an invasion.

Russia represented no threat to Germany as she was too unwieldy and in spite of all her military and technical efforts was still inferior to Germany; that was why she seemed suspicious of German rearmament.

Italy's only chance lay in a speedy victory in Abyssinia. Failing this she would hardly last out more than two or three years and would end in Bolshevism. France was the true author of the war in Abyssinia. Laval had cheated Mussolini.

Welcomed exchange of visits between ex-servicemen and thought continued and vigorous exchange would be very useful. It would be desirable to have a nucleus of four to five permanent representatives. In addition, a group of (at most) ten to fifteen changing figures. Visits to different towns and regions each time. Thought this would be the best way of promoting German-British understanding among the broad masses in the country and thus in public opinion.

I congratulated him on his book *Talleyrand*. He then spoke about his new book, *Marshal Haig*, of whom he related the following historical saying in 1919: "I hope in the next war we march with Germany against France."³ Expressed himself as well pleased over meeting German ex-servicemen.

Is, all in all, an exceptionally interesting man but must be handled with the greatest care.

VII

Mr. Neville Chamberlain
Chancellor of the Exchequer.

Invited to dinner at Kensington Palace.

Expressed the greatest respect for Herr Schacht as a financier.

Thought that France still suffered greatly from an anxiety complex about Germany. Hence the alliance with Russia. Regretted the marked unreliability of the French in diplomatic proceedings. Did not hold their tongues—one had to reckon with immediate indiscretions to the press each time, and distorted ones at that. Laval was as wily as a peasant.

Chamberlain [*sic*] hates Russia.

His son has studied in Germany and has heard Adolf Hitler speak in Munich. His accounts are so enthusiastic that Chamberlain [*sic*] would very much like to see the Führer himself one day.

Ch. is an Eton schoolfellow of mine.

VIII

H.R.H. The Duke of York.

H.R.H. The Duke of Kent.

Several conversations on widely varied occasions. Conducted throughout in a decidedly pleasant way.

The Duke of York, as President of the British Red Cross, welcomed the comradely collaboration with the German Red Cross over various resolutions and deliberations in the Paris League and in the Geneva committee respectively. Attaches more importance to these institutions than is customary in Germany. Thought more work for peace could perhaps be done through the "Geneva Convention" than through the League of Nations. This accorded with the "sentiments"³ of the peoples for peace, so important nowadays. Strong emphasis on "keeping to the spirit of the Geneva Convention" he thought, diverts attention from rearmament and has a reassuring effect.

The intention of the two Princes of going to Garmisch has had to be abandoned because of the [King's] death.

Both Dukes would like to visit me in Coburg some time this year.

The Duke of Kent intends to attend the Olympic Games in Berlin, whether in a private or an official capacity is for H.M. the King to decide.

IX

Lord Mount Temple, P.C.

Had asked to have a conversation with me, which took place over tea in his apartments. Sir Arthur Guinness [*sic*] (Bank of England) was present.

They particularly praised Herr Schacht as an outstanding banker.

From their most recent visit (in connection with the Anglo-German Society), which they had extended for several days, they had gained the impression that things were going very much better in Germany than had once been thought abroad and also than they themselves had thought during their visits in previous years.

Italy had been hoodwinked by France in the Abyssinian affair and had been forced into a painful position.

The German-British Air Pact was warmly supported by both gentlemen.

They then spoke in detail about the colonial question which was presumably the reason why they had asked to talk to me. Britain would hardly surrender one of the Mandates, neither would the Dominions, as this would be incompatible with "public opinion". However, they thought one might successfully take up the old Cecil Rhodes plan of giving Germany a Mandate over the Portuguese possessions in Africa. They thought that Portugal would be ready to agree to this against some more or less equivalent return, and that the President especially was accessible on this subject. They thought that in raising the funds it would be possible to find a sufficient number of loan subscribers in Britain too. They thought that it would be worth Germany's considering joining the League of Nations if absolute equality of rights and of participation, especially a colonial Mandate, were guaranteed.

X

Mr. Astor

Editor of *The Times*.

He came, at my sister's invitation, to have tea with me at Kensington Palace. At first he was noticeably unforthcoming. When, however, it transpired in the course of a flagging conversation that I had for several years been in the same form at Eton as his brother, he thawed.

He asked whether Adolf Hitler heeded advice. He asked why Adolf Hitler had not intervened at once in the church dispute. Was given an appropriate reply. Admired the simplicity of Adolf Hitler

and concluded that this was the reason for his popularity among the German people. Expatriated on the noticeable contrast with national leaders in other countries.

Spoke of the good impression made not only by the personality but also by the work of Herr Kerl in the church question.

Spoke of the necessity for a German-French understanding. Described renunciation of claim to Alsace etc. as very astute.⁴

Thought Germany was unnecessarily afraid of Russia, since, though the masses there were admittedly organized, it would none the less be impossible to set them in motion against the West. Saw the real Russian danger, for Germany too, in her network of agents and her money. Saw in this the justification for the existence of the Gestapo, about whose activities he was otherwise rather doubtful.

Abused Roosevelt, who, in his opinion, was establishing a new kind of Communism in America.

Thought Mussolini was trying out his soldiers in Abyssinia to see if they were fit yet. Sees no great likelihood of his winning, as Abyssinia could hold out for twenty to thirty years, Mussolini for two or three at most. Sees in his losing a danger of Bolshevism for Italy.

Asked whether Germany was interfering in Austria. On my denying this he said he thought that in that case Adolf Hitler must be intending to let Austria fall into his lap one day like a ripe fruit. Regarded this as a definite possibility, even though it might not happen for years, and expected it to result in a peaceful settlement with France.

He declared that it was imperative that England-Germany-France should work together. Opinions might differ as to how this could be attained.

XI

M. Lebrun

President of the French Republic.

Came up to me after the dinner at Buckingham Palace to ask if he might introduce himself, as he had found out at table who I was.

In contrast to the general run of political leaders in France, he is a distinguished man, who does not belie the ex-officer he is. He asked me to tell the Führer that he himself was convinced of the need for the most friendly relations between Germany and France and cordially welcomed all German efforts calculated to dispel the suspicion still existing among a section of the French population.

The conversation was interrupted by our being joined by a cousin of mine. At parting he uttered the following words with great earnest-

⁴ Hitler had stated in a broadcast on Jan. 15, 1935, after the Saar Plebiscite, that "the German Reich will make no further territorial claims on France". Extracts from this speech are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1195-1196.

ness: "*La France et Allemagne—c'est la paix.*" He also had his card left on me next day at Kensington Palace.

XII⁵

H.M. King Carol of Rumania.

Spoke to me during the reception at Buckingham Palace about the National Socialist propaganda in Rumania (allegedly) being conducted from Germany, and urgently requested that it be stopped, as it placed him in a difficult position *vis-à-vis* Germany. It must naturally affect the success of economic negotiations too.

I declared that the Führer had long since issued a ban on the dissemination of National Socialist propaganda abroad, and that this ban was indeed being observed. When foreign "National Socialists" visited Germany, for instance, for the Reich Party Rally or other such occasions, these were not, over and above a simple exchange of views, used for any kind of propaganda in the countries concerned.

To this he replied that theory and practice did not always coincide, and again asked me to draw the Führer's attention to these matters.

King Carol does not enjoy any great popularity in England. My family have a very low opinion of him.

XIII

H.R.H. Prince Regent Paul of Yugoslavia.

He brought about several conversations, as he is exceptionally interested in and anxious to know about the National Socialist Movement. Still very pleased about Göring's visit.⁶ Said he would like to talk to the Führer, and thought that, as he spoke fluent German, a discussion would be useful to both countries.

He said that, owing to the predominance of Jews in economic affairs and the intelligent Jewish Communist leaders, the situation in Yugoslavia was not easy for him and for his personal desires with regard to conducting the government of the State.

Declares Starhemberg is in the pay of Italy. He was supposed to canvass for Otto of Habsburg as King whilst in London, but was apparently snubbed. Thinks any side can buy Starhemberg. Had come to the conclusion, after a stay of several weeks in Austria, that the people were predominantly National Socialist, but that higher circles were politically indifferent and, since they thought only of themselves, unreliable too. Germany would do best not to meddle in these developments.

⁵ A copy of item XII of the document here printed was forwarded to Rosenberg under cover of a letter from Hitler's Adjutant, Wiedemann, dated Feb. 14 (7433/E540038-39).

⁶ Göring visited Belgrade May 25-26, 1935; see documents Nos. 91 and 93.

In Hungary, Horthy [*sic*] and Gömbös are against Otto of Habsburg, with the result that there are serious intrigues against Gömbös. Thinks it would be expedient to back up Gömbös with marks of attention, etc.

Thinks that the Pope is behind the Otto of Habsburg plan, with the idea of a Central European Catholic bloc consisting of Italy, Austria, Hungary and Czechoslovakia.

XIV

SUMMARY OF REMARKS RECURRING FROM TIME TO TIME IN THE CONVERSATIONS AND SOME SPECIAL QUESTIONS

1. Britain regards her Government as one of "National Concentration" [*Nationale Sammlung*]. It was several times explained to me by politicians by comparing it with the "Harzburg Front"⁷ concept.

The distrust of Germany which exists among the people as a result of various influences and events is described as being on the wane. Public opinion, which in England plays a rôle which we cannot always appreciate, is turning, so my family and a number of members of the Government think, even though slowly, in our favour. The Naval Agreement, the numerous visits by ex-servicemen, and sport, have all played their part. The British ex-serviceman is said, when other influences are not at work on him, to be always more in favour of Germany than of France.

Nevertheless, the chance that those influences will succeed, which, stemming from the most varied sources, are working most powerfully against Germany, must not be underestimated. The slightest weakness would become a target for concentrated attack. In this respect a genuine mistake on our part would be less serious than inconsistent behaviour.

For the rest, time is on *Germany's* side.

2. Germany's relations with Japan are being closely observed. Germany's friends remark, in this connection, that a link between Germany and Japan, though welcome in itself, must never be allowed to take precedence over the Anglo-German link.

3. Russia's activity in international affairs is being closely watched. It is not military Russia but the Bolshevik network of agents and lavish expenditure which are seen as the danger to Europe. In consequence, Germany is accorded the position of bulwark against *Bolshevik propaganda*. Not, however, with the logical conclusion that she should rearm, but with that of the expansion of the Gestapo, which is said to be concerning itself too much with other matters. The *Russian State* and its military strength are rated surprisingly low.

⁷ The right-wing national opposition which took its name from the rally at Bad Harzburg on Oct. 11, 1931.

4. The position of Herr von Ribbentrop is much discussed. The title of Ambassador Extraordinary which has been conferred on him has given opponents occasion to belittle his political importance. They are playing on the British mentality by making out that the post of Ambassador Extraordinary is only a temporary one, for some mission, which can at any time be transferred to someone else or discontinued altogether. Thus doubts are cast on the permanence of his position and therefore on the possibility of conducting serious long-term policy with him. My family, who are genuinely interested both in Herr von Ribbentrop personally and in his mission, suggest that he be given the title of "Ambassador" as an indication of his rank and status but that he should be described in the *British* press as "Personal Adviser of the Führer"³ to emphasize the permanence of his position.

5. The discussion over the Jewish question seems to be subsiding as a result of the Nuremberg laws.⁸ But this must not be taken to mean that there is real understanding for the measures. The display of placards is generally condemned. Equally general is the criticism of the standards of the *Stürmer*. The readers, who are few, of the *Schwarze Korps* do not understand why, under the leadership principle [*Führerprinzip*], they attack people from among their own ranks. In this respect it must, however, be said that in England they sometimes have extremely odd ideas as to what the "leadership principle" [*"Führerprinzip"*] is.

6. Germany's participation in the Coronation ceremonies, which take place in about a year's time, was several times referred to when the German delegation to the funeral were being discussed. The question of whether the Führer, and perhaps a contingent of German troops, should take part, was brought up. A proposal to invite the Führer at once to attend the funeral ceremonies, was described to the King as "somewhat premature and precipitate".

⁸ See *Reichsgesetzblatt*, 1935, Pt. 1, pp. 1146-1147 and 1333-1336.

No. 532

8015/E576412-20

The Ambassador in Italy to the Foreign Ministry

PARTS ARE SECRET

No. 512

ROME, January 31, 1936.

Received February 1.

III O 599.

POLITICAL REPORT

Subject: The political situation in Italy.

Upon my return from Berlin, I found the impression that the barometer here had risen (reported in my despatch No. 402 of January

22)¹ confirmed. As I reported, this is attributable partly to the military successes in Abyssinia and partly to the belief that a slight *détente* can be observed in the world attitude to Italy. It was precisely the standstill of operations that has caused the political and economic pressure on the country to become really seriously felt. People are now inclined to think that there is a kind of slackening of world interest in the Abyssinian conflict, which will first give Italy greater freedom of action in continuing the campaign, after which the world will finally reconcile itself to the *faits accomplis* which, it is hoped, will by then have been created. Thus Mussolini himself, as I reported in my telegram No. 8 of January 27,² thinks that at present the only possible way out of the muddle lies in further military successes which might force the Negus to make acceptable proposals.

Despite this somewhat more confident mood among the political leaders, they have no illusions at all either as to the difficulties which, from the military point of view, will still have to be overcome, or as to the seriousness of the general political situation. Where this latter question is concerned, it is primarily the fall of Laval³ which has greatly reduced hopes of French support. Where Britain, and especially the new British Foreign Secretary, are concerned, the initial optimism⁴ about the possibility of better cooperation with Mr. Eden as Foreign Secretary has now somewhat diminished, since of late it has come more and more to be believed that Britain is determined to continue the sanctions policy.

In his last conversation with me,⁵ Mussolini took good care not to hold out prospects of any momentous decisions in the event of petroleum sanctions. This accords with the deliberate obscurity of semi-official statements about Italy's probable decisions in the event of an oil embargo. It is also significant that Mussolini views the alleged or real pacifism of the new King of England as a favourable factor. He also speaks with considerably more caution than previously about the aims of British policy. Equally worthy of note is the fact that on the death of King George the Italian Government made it plainly apparent that they wished to stress their friendly attitude. In view of the British sanctions policy, the obvious thing for Italy to do would have been not to exceed the minimum required by international courtesy. In point of fact, however, official sympathy over the sad event was positively emphasized, and the extremely rare event occurred of both

¹ Not printed (8015/E576399-401).

² Document No. 525.

³ See document No. 519, footnote 3.

⁴ In the despatch cited in footnote 1 above, Plessen had reported *inter alia* on the reactions in Rome to Eden's speech at Leamington on Jan. 17, on the first discussion between Eden and Grandi, and on Italian hopes for smooth cooperation with Eden.

⁵ See document No. 525.

the King and the Duce taking part in the ceremony in the English church here. Finally, in this connection, I would invite attention to the tone of the Italian Government's reply to the recent British Memorandum on the question of mutual support in the Mediterranean,⁶ which ends on a conciliatory note. All these facts indicate that Mussolini is concerned not to spoil the supposedly improved atmosphere, but also that he is fully aware of the weakness of his own position.

The opponents of Fascism are naturally making the weakness of the Italian position the basis for vehement criticism of the Duce's policy. These voices have, however, been deprived of all possibility of reaching the public; nor should their significance be over-estimated. What ought to be taken more seriously is that even within Fascism itself doubts as to the Chief's infallibility are beginning to make themselves more clearly felt:

The former Air Minister and present Governor General of Libya, Italo Balbo, who is known to be one of the "founding Fascists" and who belongs to the inmost circle of Mussolini's comrades-in-arms, in conversation with our Consul General Immelen (Naples)—who was in Tripoli owing to consular difficulties and who was previously closely acquainted with Balbo—criticized his Chief's policy in a truly astonishing manner. It is true that, when he was appointed to Libya, Balbo told me, in terms which were unusual in view of the then conditions, that he was not assuming this post voluntarily. But his remarks to Herr Immelen amount to criticism such as has certainly never before been uttered by any Fascist leader, especially to a foreigner. I am enclosing two carbon copies of Herr Immelen's memorandum on his conversations with Balbo. It is not, I am sure, necessary specially to emphasize that the fact and the content of Balbo's remarks should be treated as *most strictly confidential*.

It is immediately apparent that Balbo's remarks are not purely objective criticism but are attacks by a man who feels himself to be an "exile" and already, so it seems, a possible "rival king". This detracts from their value. Their importance seems to me to lie less in their actual substance than in the fact that such a person should dare, and should consider it appropriate, to speak in such terms to a foreigner. Moreover, there is reason to suspect that it is not only to Herr Immelen that he has spoken thus, but that similar utterances may perhaps already have percolated to Britain. I hear from a reliable source that some Fascists are secretly keeping in touch with the British Embassy.⁷ In this connection it would be of interest to know what language the Prince of Piedmont has held in London and

⁶ See document No. 519, footnote 2.

⁷ Marginal note in Neurath's handwriting: "Answered by private letter." This letter has not been found.

whether he has discussed the subject of politics with official person-ages or with members of the Royal Family.⁸

HASSELL

[Enclosure]

B. 85
To the German Embassy, Rome.

German Consulate, Naples.
January 27, 1936.

MEMORANDUM

In the course of my conversation with the Governor General of Libya, Balbo, on which I have reported in another connection,⁹ the Air Marshal very soon came, of his own accord, to speak of the Abyssinian war, expressing himself with a frankness and harshness such as I have never before experienced. At times the conversation was positively embarrassing.

As regards the origins of the conflict, Balbo said that rarely indeed had an enterprise of such scope been staged with such lack of skill, or with such frivolous *naïveté*. The political, diplomatic, financial, and indeed even the military preparations had been completely inadequate. From the very beginning the betting had been on the wrong card; the "Chief" had seen more in the outcome of the discussions with Laval than they contained and had confused the wrapping with the contents. (In other words, he had let himself be fooled.) As I must be aware, he, Balbo, did not think much of the League of Nations, but nevertheless one ought never to have got into the present situation. Germany, who had been infinitely better prepared and more powerful, had lost the war because she had had a couple of dozen nations against her, but no country in the world could hold out in the long run if it had to overcome the hostility of 52 countries. "We are sitting in a circle of fire", were his actual words. "We never seriously believed that it would really come to war, but the Grand Council was confronted with *faits accomplis*." The Chief was living in isolation, within four walls, seeing and hearing nothing of reality. He was surrounded only by flatterers who told him only what he wanted to hear. "If anyone is told a hundred times a day that he is a genius, he will himself eventually believe in his own infallibility." It had been utterly impossible to influence him in any way. He, Balbo, was indeed remote from all politics; he had his task to perform and was determined to discharge it as "brilliantly" as he possibly could, but he was unable to suppress grave misgivings. At

⁸ The Prince of Piedmont had been to England to attend the funeral of King George V on Jan. 28. Copies of the document here printed were transmitted to London and Paris on Feb. 5 (8015/E576421). In despatch A 607 of Feb. 23 (M255/M010962) Hoesch reported that the Prince of Piedmont had several times seen King Edward VIII, but, as far as was known, had had no conversations of any length with members of the Cabinet.

⁹ This report has not been found.

all events the warlike developments were to have been forseen when the leadership was entrusted to an old worn-out man like De Bono,¹⁰ who from the first had had to contend with climatic difficulties and who had proved unequal to the task assigned to him. Graziani,¹¹ though doubtless a fine soldier, was not a military genius. He had done well in Cyrenaica at the time, but the credit was largely due to his native subordinates, one of whom I would be meeting later (at dinner that same evening). With regard to the progress of the offensive on the Ganale Dorya,¹² the Governor said, during my farewell visit on Sunday, that he would be able to believe in a decisive success only if the conquered territories were really held. According to the map, he said, the advance was going too easily and too impetuously for his liking. He feared setbacks and serious supply difficulties. One man at the front meant at least ten behind the lines; the longer the lines of communication became, the more people would be needed, with all the difficulties which that entailed.

Balbo also spoke about German-Italian relations, which he still had very much at heart, and said he much regretted the fruitless outcome of the Venice meeting.¹³ But he would not be surprised if the Führer and Chancellor had taken an unfavourable impression back with him to Germany, for it had, after all, been positively "*sconveniente*" [unbecoming] to receive him with cries of "Viva Mussolini" immediately on his arrival. He himself would also have been put out if such a thing had happened to him on an official visit abroad. In addition, he thought it inexpedient, to say the least, to cling so to Austria and the Danubian policy. He did not think much, either as a man or as a politician, of Prince Starhemberg, the Austrian Vice Chancellor, whose sole distinction was to be the son of a very clever woman. He had also gained an unfavourable impression of the Heimwehr. On the other hand, he had brought back the most agreeable memories from his "*incognito*" visit to Southern Germany, made from Switzerland in the summer.

From the point of view of foreign policy, the whole plan for the Abyssinian enterprise had been wrong, and its inception had, despite all later exertions and achievements, given little promise of success; at best, assuming that nothing happened to aggravate the world situation still further, the affair could only be brought to a tolerable conclusion in several years' time. However, even under the best conditions, the question of financial capacity always remained.

¹⁰ General Emilio Bono was High Commissioner for Eritrea and Italian Somaliland and Commander in Chief of all Italian forces in East Africa until his recall on Nov. 16, 1935; he was succeeded by Marshal Badoglio (see *The Times* of Nov. 18, 1935).

¹¹ General Rodolfo Graziani, Governor of Italian Somaliland and Commander of Italian forces on the southern front in Abyssinia.

¹² A river in southern Abyssinia, the scene of a victory gained by General Graziani over Abyssinian forces led by Ras Desta; see *The Times* of Jan. 17 and 20, 1936.

¹³ In June 1934; see vol. III of this Series, documents Nos. 5, 6, 7, 10, 19 and 26.

"*Facciamo la politica finanziaria a papà morto*" (Speculation on the awaited inheritance).

He showed understanding for the British attitude, even though he naturally deeply deplored it. From everything he said there emerged the conviction that a compromise solution must be found at all costs and soon. With regard to France, he expressed distrust and a kind of rancour, and said that his journey to Paris in the summer had been labelled as a political event, whereas in fact he had been pursuing a beautiful woman (?)

In spite of everything, he entertained the highest hopes for the development of the colony; he was engaged, with the help of a German expert (the former chairman of the Traffic Commission in Berlin, Engineer Adler, who had arrived on the same boat as myself), in seriously tackling the transport question, and was devoting himself entirely to his immediate tasks, regardless of what the future might bring.

In the course of the conversation, Balbo also said that he fully understood Germany's demand for colonies and that he knew what intensive propaganda work was being done in this direction. He mentioned, as a very clever achievement, the work of a Party office allegedly active in Berlin, which was sending out highly trained propagandists who set to work among the natives, pointing out to them that Germany was the only country in the world in a position to protect them from exploitation by the hated Jews. He had been informed of work done by such agents by the French colonial authorities in Tunis and Algiers respectively, and one such agent had also turned up in Tripoli, but he had forgotten his name. He was well aware that this organization was unknown to the official Missions and had nothing to do with them, and he only mentioned it in order to emphasize the clever methods employed by these agents. I assured the Governor that I knew nothing about any such propaganda machinery.

It was interesting to observe the composition of Balbo's *entourage*. It is composed solely of people entirely devoted to him, with whom he has filled all the posts of importance, among them nine "*atlantici*"¹⁴ who are constantly at his side. The Commander of the new *Libia* division is General Nasi, who is to go to the front very soon. From the remarks which he made in the course of the quite informal conversation at table, he seemed wholly to share the Governor's views on the Abyssinian war. On Friday, General Nasi flew to Benghazi, returning on Saturday accompanied by the Chief of the General Staff, General Pinto. Apart from these two gentlemen, I met a friend of

¹⁴ i.e., Atlantic flyers, a designation used to describe those who had participated in the mass formation flights, led by Balbo, to South and North America, in the summer of 1933.

Balbo's youth, Comm. Dr. G. Govoni, who was for many years the London Correspondent of the *Gazzetta del Popolo* and is still active in London in a "literary" capacity. This man seems to me to be Balbo's agent in Britain and is doubtless fully acquainted with his views. To some extent this man seems to be dreaming of his friend's succeeding to the premiership, and Balbo can hardly be unaware of this wishful thinking, to judge by the kind of remarks he makes. This man made statements about the stability of present conditions in Rome which left nothing to be desired in the way of plain speaking and, in parts, vehemence. Govoni seemed to be profoundly anxious about the situation, and he kept repeating that the ring was closing in and that it was urgently necessary to escape from it, though this would naturally be possible only on the basis of a perhaps painful compromise. In his view, there was only one man who could bring about such a compromise; the present leaders had, in his opinion, shot their bolt. To what extent Balbo himself shares this conviction I do not know; but, from the various conversations which I had with him, the influence of Govoni's views emerged unmistakably.

It has been confirmed to me repeatedly and with almost studied care that the Balbo-Badoglio relationship is excellent, particularly since the latter's visit to Tripoli before taking over the command in East Africa.

No. 533

8656/E606103-05

The Ambassador in Great Britain to the Foreign Ministry

A 482

LONDON, January 31, 1936.

Received February 1.

II Oe. 351.

Subject: Conversation with Prince Regent Paul of Yugoslavia.¹

Prince Regent Paul of Yugoslavia, with whom I have for twenty-four years been closely acquainted, sent to invite me yesterday to meet him at the house of some mutual friends.

Prince Paul began by stating that German-Yugoslav relations had developed in an extremely gratifying manner and were at present thoroughly satisfactory. In this connection he referred in particular to the concern, shared by both countries, that the Habsburg dynasty should not be reinstated in Austria.

He then spoke of Prince Starhemberg's activities here² and told me that Starhemberg had made every possible attempt to have a conversation with him; but this he had successfully evaded so far,

¹ In London to attend the funeral of King George V on Jan. 28.

² See document No. 544.

because he knew that Starhemberg would bring up the restoration question. According to his information, he [Starhemberg] had in any case raised the question with the British authorities here. When I remarked that it was said that Prince Starhemberg had in mind not so much the recall of the Habsburg dynasty as his own appointment as Regent of Austria,³ the Prince Regent replied that he thought that Starhemberg was probably only using the rumour which had been spread about concerning his personal ambitions as a cover behind which he could pursue his true aim, namely, the restoration of the Habsburg throne, with greater ease.

Prince Paul then remarked that in France the opposition to the return of the House of Habsburg to Vienna had gradually diminished and the point had now almost been reached where such a return was being systematically promoted. The Czechoslovak Government, too, had recently, as he was able to tell me in confidence, begun to waver in their opposition, and he believed that in this regard Schuschnigg's latest visit to Prague⁴ was of greater importance than was apparently generally assumed. If the efforts of the Austrian Legitimists had nevertheless been kept in check so far, this could be attributed mainly to the fact that Yugoslavia had repeatedly declared that if Otto of Habsburg were to move into the Palace at Vienna, then she would march.

The weakening in the opposition to the restoration, which had formerly been so unanimous, was naturally due to the fear of Germany and the possibility of the *Anschluss*, which for most people held greater terrors than the prospect of a resurgence of the Habsburg Monarchy. Yugoslavia thought otherwise. She had, at bottom, no objections to the *Anschluss* arising from her own security requirements, but on the other hand she was most strongly opposed to the restoration.

Prince Paul then expressed great admiration for our Führer and Chancellor and spoke in cordial terms of his meeting with Minister President Göring,⁵ which had passed off very harmoniously and had been of great value to him.

Regarding the appearance here of Prince Starhemberg, I have heard from acquaintances with whom Starhemberg dined that the Austrian Vice Chancellor had said of Germany that she was arming for war and would soon be ready to act. If Germany, and Italy too, were not given the chance of territorial expansion in some direction, then there would inevitably be an explosion.⁶

V. HOESCH

³ See document No. 96.

⁴ Schuschnigg visited Prague on Jan. 16 and 17, 1936; see document No. 543.

⁵ Göring visited Belgrade June 6-8, 1935; see documents Nos. 91 and 93.

⁶ Marginal notes: "[For the] R[eich] C[hancellor]. v. N[eurath], Feb. 3." "The Reich Chancellor is informed. L[ammers], Feb. 18."

No. 534

8456/E505667-73

The Chargé d'Affaires in Belgium to the Foreign Ministry

A 54

BRUSSELS, February 1, 1936.

Received February 3.

II Bel. 166.

Subject: Eupen-Malmédy.

With reference to your despatch II Be. 60 of January 21, 1936,¹ and your telegram No. 5 of January 22.²

(1)

On account of his visit to London, which was extended beyond the period of the funeral ceremonies,³ Minister President van Zeeland was not able to receive me until today. On the lines of your instructions under reference, I told M. van Zeeland how his proposals⁴ had been received in Berlin and about the observations they occasioned there in view of the events of recent months. M. van Zeeland listened to my observations with obvious interest, interposing remarks at two points only. When, in accordance with your despatch of January 21¹ and the instructions previously given me, I told him that we attributed the tension which had arisen between Germany and Belgium to the fact that in Belgium a whole section of the community had been subjected to discriminatory treatment merely because it upheld its racial affinity to Germany [*Deutschtum*], M. van Zeeland interrupted me and assured me, as he has often done before, that German culture in Eupen-Malmédy, as well as all non-political ties between the population and Germany, would be not only tolerated but even protected by the Belgian Government, but that any action of a political nature directed against the Belgian State would of course have to be checked. I thereupon explained to him once again with all possible clarity how we viewed the events which had led to the Liége proceedings and to the expulsions; in so doing, and basing myself on the arguments contained in despatch II EM 394 of November 5⁵ and on the facts which have become known to us concerning the genesis and application of the Law,⁶ I demonstrated that the Law and its application were directed against, and had actually affected, persons who were regarded as being exponents of German culture and of the bond of

¹ Document No. 508.

² See document No. 508, footnote 5.

³ i.e., the funeral of King George V on Jan. 28.

⁴ See document No. 491.

⁵ See document No. 403, footnote 2.

⁶ i.e., the Law concerning the Deprivation of Citizenship; see document No. 342, footnote 3.

racial affinity to Germany [*Deutschtum*] in the cantons of Eupen-Malmédy.

M. van Zeeland made his second interjection at that point in our statements which is most important to us, and in which we again attempt to pin the Minister President down to his earlier statements that the Belgian Government would not institute any further deprivation of citizenship proceedings and would induce the Public Prosecutor to comply with this wish. At this point M. van Zeeland broke in with the words: "With the reservation, of course, that there is a distinction between the administration and the judiciary."⁷ When I asked him what he meant by this, he explained to me that the Belgian Government's sphere of influence naturally did not extend to the forum of the Belgian courts. Besides, he added, the important thing was that the Belgian Government had given the necessary directives (*instructions*), through administrative channels, to the Belgian Public Prosecutor's Office (*Parquet*). When I then repeated to M. van Zeeland the above-mentioned passage concerning the assurances he had given me in our conversations about not instituting legal proceedings and about the possibility of inducing the Public Prosecutor to agree to this, he said: "That is so, that is so!"⁷

M. van Zeeland did not contradict any of the other statements but, on the contrary, said at the end of our conversation that he agreed with the way in which we had given our preliminary reply to his suggestions. As I have always been careful to do in conversations with the Belgian Government, I conducted today's conversation in such a way as constantly to underline the idea that the first thing was to make good the damage done by Belgium's conduct and to obtain guarantees that the conduct of the Belgian authorities in the cantons would provoke no further reaction on the part of German public opinion. I also referred in this connection to two cases where inhabitants of the cantons of Eupen-Malmédy had been denied Belgian nationality on the grounds that they were allegedly not domiciled in the said territories uninterruptedly during the period 1914-1918, whereupon, after this had been established, the persons concerned had been expelled. Finally I also drew attention to the various incidents in Eupen-Malmédy, such as the arrest of ten inhabitants of Bütgenbach of German stock, in connection with the New Year's Ball, and the renewed search of the premises of the German Gliding Club at Eupen; I further pointed out that these incidents all showed that the authorities in Eupen-Malmédy often acted in an irritating and provocative manner, thereby also causing disquiet in the cantons and giving grounds for the belief that a systematic campaign was being conducted against inhabitants of the territory on account of their professing their racial affinity to Germany [*Deutsch-*

⁷ The passage in quotation marks is in French in the original.

tum]. M. van Zeeland promised that he would look into this matter too and that he would see to it that the population of Eupen-Malmédy was treated in a just and reassuring manner.

(2)

In agreement with M. van Zeeland I discussed our *démarche*, and my conversation with him, in detail with M. van Langenhove, the Secretary General of the Belgian Foreign Ministry. M. van Langenhove took particular note of that part of my conversation with M. van Zeeland which referred to the Minister President's promise that no further deprivation of citizenship proceedings would be instituted and that he would induce the Public Prosecutor to comply with this wish. M. van Langenhove expressly confirmed to me that he too had previously promised me that no further deprivation of citizenship proceedings would be instituted and he undertook to see that the quite formal declarations made for the Belgian Government by the Minister President and by himself were so recorded and that, over and above the instructions previously issued, they should be brought to the notice of the competent authorities in such a way that the institution of further proceedings under the Deprivation of Citizenship Law would in effect no longer be possible. M. van Langenhove more or less openly admitted that I was right when I stated that the Belgian Government must themselves be interested in seeing that the institution of these proceedings and the expulsion of inhabitants of Eupen-Malmédy were discontinued.

M. van Langenhove had no objections either to our interpretation of the situation or to our observations on the Minister President's proposals.

(3)

By the formal declarations given to me by the Minister President and by M. van Langenhove and by their confirmation today, which will also go on record in the files and have effect on administrative measures, it appears to me that we have succeeded as far as is possible in our aim of making the Belgian Government undertake to refrain from further deprivation of citizenship proceedings. As deprivation of citizenship is the precondition in cases of expulsion, there would no longer be any question of further expulsions under the Law of July 1934. An absolute guarantee that there will be no more expulsions such as those which took place in December, can of course only be provided if the Law in question is repealed. For it is still after all conceivable that, by an intentional or accidental oversight, the Public Prosecutor may bring a charge, and the Government not be informed of it until the case is before the court, when it will no longer be possible for the executive to intervene. But for the time being we shall have

to accept this possibility, since, as explained above, it can only be eliminated by the repeal of the Law.

Although the possibility of any further application of the Deprivation of Citizenship Law may therefore be ruled out, as far as this can be achieved at present, new grounds for complaint in respect of the treatment of inhabitants of Eupen-Malmédy have nevertheless arisen, as mentioned at the end of Section 1, and, for the reasons we have given, might well constitute a strain on our relations. This applies, above all, to the cases where Belgian nationality acquired in accordance with Article 36 of the Treaty of Versailles has not been recognized and expulsion has subsequently taken place. These cases, which, according to information received from various sources, are said to be numerous (100–200 cases are mentioned), will deserve special attention. One individual case, incidentally, was submitted to the Belgian Government, in accordance with the instructions contained in despatch V 18364 of December 21, 1935,⁸ with the proposal that they should enter into negotiations with us in the matter on the basis of the German-Belgian Protocol relating to Option of November [sic] 11, 1922.⁹

Moreover, in the conversations which I have described above, I left no doubt that my *démarche* and the statements I made naturally also apply to similar measures taken by the Belgian Government in other spheres.

As there is a courier available today, I am not reporting by telegram as instructed.¹⁰

BRÄUER

⁸ Not found.

⁹ Signed at Aachen on Sept. 11, 1922; for the text see League of Nations: *Treaty Series*, vol. XLI, pp. 141–146.

¹⁰ Marginal note on another copy (8456/E595674–80) of the document here printed: "There was therefore no discussion of the Eupen-Malmédy problem proper. M. van Zeeland does not seem to have touched on this question. This accords with our view; the question is not acute. It is to be presumed that M. Davignon will not broach it either. D[ieckhoff], Feb. 4."

No. 535

7519/E541131–35

The Ambassador in Great Britain to the Foreign Ministry

A 492

LONDON, February 3, 1936.

Received February 4.

III E 405.

Subject: Conversation between a confidant and M. Titulescu.

I have the honour to enclose herewith a memorandum by a British confidant of this Embassy, on conversations he had with the Ruman-

ian Minister President, Titulescu, while the latter was in London for the King's funeral.

Noteworthy are M. Titulescu's alleged statements about his views on the possible orientation of British foreign policy under the new King. Titulescu is alleged to have said that he was aware that an Anglo-German *rapprochement* might occur in the near future with the object of obtaining an Anglo-Franco-German agreement as the basis of European peace. Such a development would not be unwelcome to Rumania, provided that it did not give Germany a free hand in the East. It was, however, essential that a *rapprochement* should take place between Germany and Russia; otherwise there would be the danger for Rumania of a war between Russia and Germany, coupled with the possibility that both States would march their forces through Rumanian territory, and that it would not be possible to get them out of it again. For this reason, Titulescu had rejected the idea of a Russo-Rumanian treaty which would give the Russians the right of military passage through Rumania to Czechoslovakia.

For the rest, Titulescu declared himself to be in favour of good Anglo-Rumanian relations, which would be of more value than any possible support from Russia, which would not be without its dangers.

HOESCH

[Enclosure]¹

During his stay here I had two talks with Titulescu, both brief, but both suggestive. He told me that when the British Government had approached Turkey, Greece and Jugo-Slavia, to solicit their assistance in the event of an Italian attack upon this country, his partners in the Balkan Entente, before replying, naturally consulted him, and he advised them to give their reply which they gave—a prompt and unqualified “yes”. Personally, however, he was not satisfied with this situation. He considered that although Roumania had not been asked for the same service because she was not technically a Mediterranean Power, she should assume similar responsibilities to those assumed by her partners. Insisting therefore that the four should act as one, he offered Roumania's co-operation. If she had no fleet or naval bases to offer us in this particular emergency, she could at least defend the rear of her partners against either Bulgaria or Hungary whilst they were engaged elsewhere. He went further. Considering that the Little Entente, like the Balkan Entente, should act as one, he prevailed on Czecho-Slovakia, despite her geographical position and her fear of Germany, also to proffer her co-operation. In this way the Little Entente and the Balkan Entente acted as one solid block in support of the League and of Great Britain. Now that he was in London, whatever efforts that he might make in the course of diplomatic con-

¹ This enclosure is in English in the original.

versations would be directed towards consolidating Anglo-Balkan solidarity and giving to the present association for the prevention or repression of an aggression in the Mediterranean or Danubian Europe, a permanent character²—always within the League, since he realised Great Britain's dislike of any extra League commitments to individual countries. In this direction his efforts, I gathered from a subsequent talk, were rewarded by plenty of goodwill on the part of the British Government, whom the Italian menace has at last compelled to recognise the value of these comparatively small Eastern Powers. Titulesco's second object was to bring about the reconciliation of King Carol with the British Court and the British Government, since his personal unpopularity with both and with the British public has hitherto proved a serious obstacle to Anglo-Roumanian political co-operation. In this, too, he had been successful so far, at any rate, as the British Court³ and Government were concerned. He hoped that the conversion of the British public to a better opinion of Roumania and her Rulers would not be slow to follow.

He was particularly eager to ascertain whether the advent of King Edward would imply, sooner or later, a new orientation in British foreign policy. He had an inkling that the latter owing, in part, to Laval's double-dealing, might show greater indulgence towards Germany. He quite realised that Anglo-German reconciliation might soon loom on the horizon and aim at an Anglo-Franco German understanding as the basis of European peace. He said of this contingency that it would not be unwelcome to Roumania; nothing would please him better than Anglo-German and Franco-German reconciliation, provided that the basis of the subsequent Anglo-Franco-German understanding was not a free hand for Germany in the East. There must also be a Russo-German reconciliation, or Roumania would be imperilled by the prospect of a Russo-German war, in which either of those two great Powers, or both, would be tempted to send troops across Roumanian territory, and he dreaded that once they were there they would never move out. For this reason he had decided to reject the idea of a Russo-Roumanian Treaty which would allow the Russians a passage across Roumania to Czecho-Slovakia. For he feared that such a Treaty would antagonise Germany and provide her with a pretext or excuse for the invasion of Roumania. He did not love the Germans,⁴ but he had no blind hatred of Germany or prejudice against her. He greatly admired the German people and had admired some of their Leaders since the war. Besides Germany was Roumania's best customer, and that was no small consideration at this date. That, too, was a further reason why he wanted close Anglo-Roumanian

² Marginal note at this point in an unidentified handwriting: "Hoare, Geneva, etc."

³ Marginal note in Neurath's handwriting: "Even so, he did not stay at the Palace."

⁴ Marginal note in Neurath's handwriting: "M. Comnen always asserts the opposite."

relations. Russian support was all right, but it might prove costly and dangerous in certain circumstances, whereas British friendship was a more precious asset and would tend to remove or attenuate rather than to aggravate Roumania's perils. He was very nervous about the whole European situation, but particularly anxious about the possibility of a German move towards Ukraine. British support was also the more necessary, inasmuch as France was now uncertain, from the Balkan Entente's standpoint, because of the fetish of the French right—excepting a few wise men—for Fascist Italy. She was the enemy of all the Balkan peoples and Mussolini, he knew, had a particularly violent hatred for him (Titulesco). "He would like to treat us, and me, in particular," he remarked, "as stinking fish"! I gathered this feeling was thoroughly reciprocated, and I do not wonder. When I saw him between his luncheon party on Thursday at which King Carol had chatted in the friendliest fashion with Baldwin and Austen Chamberlain, and his departure from Paris, Titulesco was rubbing his hands with glee, remarking in a subdued but non[e] the less jubilant tone, that it had all gone very well: the British statesmen could not have been nicer towards the King.

No. 536

8546/E598054

The Chargé d'Affaires in Switzerland to the Foreign Ministry

Telegram en clair

No. 6 of February 4

BERNE, February 4, 1936.¹

Received February 5—1:30 a.m.

II Sz. 115.

According to mutually confirmatory reports from the Swiss Telegraphic Agency and the Police Commissariat, Davos, Landesgruppenleiter Gustloff was shot dead at his home in Davos at 8 o'clock this evening. A Yugoslav subject, David Frankfurter, 26 years old, a medical student at Berne, has given himself up to the Davos District Court [*Kreisgericht*] as the author of the crime. On interrogation by the competent police authorities, Frankfurter stated that he had not been personally acquainted with Gustloff but had committed the deed quite deliberately because he was opposed to the present German régime. The author of the crime is at present in custody at the Davos District Court. The investigation will be conducted by the competent Cantonal Court in Coire. The Swiss Federal public prosecutor has been informed. Consul Schaeffer of the Consulate General at Zurich is going to Davos tomorrow. The Minister is on leave, and returns to Berne on February 5.²

DANKWORT

¹ The hour of despatch is not recorded.² Marginal note: "Known from the press. To be filed. R[intel], Feb. 6."

No. 537

147/78385

Memorandum by the Foreign Minister

VERY URGENT

BERLIN, February 4, 1936.

RM 86.

The Polish Ambassador today handed me the attached Memorandum¹ in reply to the proposals for a settlement of the debts arising from transit traffic with Poland handed to him on January 30 by State Secretary von Bülow.² The Ambassador added that unfortunately the Polish Government did not consider that our proposals provided a satisfactory basis for negotiations. The Polish Government were in an exceptionally difficult position *vis-à-vis* Parliament and therefore attached the greatest importance to having at least a proportion paid in foreign exchange.

I told the Ambassador that as far as I knew we were not in a position to make even the partial payment which he was now demanding.³ However, I would of course submit the matter to Herr Schacht.⁴

v. N[EURATH]

¹ Not printed (147/78386-87); this Memorandum stated that the German Memorandum of Jan. 30 did not offer a satisfactory basis for negotiations.

² See document No. 528 and enclosure thereto.

³ The Polish Memorandum (see footnote 1 above) proposed that Germany should pay immediately the debts incurred during the last month, amounting to 6,664,909.59 Zloty as of Feb. 3; the Polish Government would then be prepared to enter into immediate negotiations on the outstanding arrears and on future payments and to postpone the curtailment of railway traffic scheduled for Feb. 7.

⁴ Neurath's letter to Schacht, IV Po. 810 of Feb. 4, has not been found. In a letter to Schacht, IV Po. 868 of Feb. 7 (9172/E645308), Neurath referred to his letter of Feb. 4 and asked to be speedily informed of Schacht's attitude.

No. 538

7621/E544997-99

The Ambassador in Great Britain to the Foreign Ministry

A 498

LONDON, February 4, 1936.

IV Ru. 592.

Subject: Conversation on various European questions with particular reference to Anglo-Soviet Russian relations.

With reference to my report No. A 14 of February 3.¹

I had another general conversation with Wigram about outstanding questions today.

On this occasion I mentioned the many conversations which have taken place here in London between official British representatives and the many foreign royalties and government representatives pres-

¹ Not printed (7621/E544994-96).

ent on the occasion of the [King's] funeral; I also touched briefly upon the reports reaching here from Paris of what were alleged to be very far-reaching negotiations taking place between the French Government and persons holding high positions abroad who were staying in Paris on their way home. Wigram said the Foreign Office had so far received no information, either from the British Embassy in Paris or from the French Embassy in London, about what the Paris conversations had been concerned with. But he thought that some of the various press reports reaching here from Paris sounded like sheer invention.

As far as Austrian affairs are concerned, Wigram did not contradict my remark that Prince Starhemberg had apparently intended to create a favourable atmosphere for the restoration of the Habsburgs. He let it appear quite clearly that, as I had already recently heard from Prince Paul of Yugoslavia, the Czechoslovak Government were no longer fundamentally opposed to the restoration of the Habsburgs; nor did he make any objections to my assumption that France could no longer be numbered amongst the obstinate opponents of a restoration. On the other hand, he stressed that Yugoslavia remained fiercely anti-Habsburg.

Our conversation then turned to Russia and we first discussed the question of the ratification of the Franco-Russian Treaty of Alliance. Wigram thought that the Laval Cabinet had presumably intended to have the Treaty of Alliance approved by the Chamber but to delay approval by the Senate, so that ratification would not have taken place before the general elections. He was not clear as to whether the new French Government² were now proposing to proceed faster, which was apparently something he did not seem to desire.

Thereupon I referred to the many conversations which Litvinov had had here in London,³ to his breakfasting with the Secretary for War, Duff Cooper, and lunching with the Foreign Secretary, Eden; and I posed the question as to what had actually been agreed with Litvinov in London, casually remarking that the hitherto unaccustomed intimacy of these relations had naturally attracted attention abroad.

Wigram began by saying, precisely as I stated in my yesterday's report under reference, that the fullness of the press reports about Litvinov's meetings and activities could be traced to Russian sources and that the Russians had made it their business to publicize as much as possible to the world at large Litvinov's various consultations with British authorities. The British Government were fully aware of this. But they were also well aware that any sign of a political *rapproche-*

² The Laval Cabinet resigned on Jan. 22, 1936, and was succeeded on Jan. 24 by a Cabinet headed by the Radical Socialist Sarraut with Flandin as Foreign Minister.

³ Litvinov was in London to attend the funeral of King George V.

ment between Britain and Russia would be bound to arouse the deepest mistrust in Germany. It was clear to them that such a *rapprochement* would create a situation similar to the circumstances prevailing before the war and that thus all hopes of achieving European security by way of a general understanding would disappear.

When I confirmed Wigram in this view, he said it was superfluous to waste any more words on the subject as he knew that the British Government were fully conscious of the prejudicial effects of a *rapprochement* between Britain and Russia. He added that, though he was by no means authorized to make statements on this subject, yet he could nevertheless assure me, on the basis precisely of the information of the last few days, that the British Cabinet would not consider a *rapprochement* with Russia as long as any hope whatever remained of arriving otherwise at practical measures for securing the peace of Europe.

He added the further remark that the Cabinet were at present considering how practical work could be done towards stabilizing conditions in Europe. No definite decisions had, however, as yet been taken.

HOESCH⁴

⁴ Marginal note in an unidentified handwriting: "Very interesting."

No. 539

5562/E397012-16

Counsellor Kordt (Theo.) to Counsellor Schmieden

CONFIDENTIAL

II G J 3

ATHENS, February 4, 1936.

II M 624 g.

DEAR HERR VON SCHMIEDEN: Our proposed armaments transaction has recently been exposed to vicissitudes about which I should much like to inform you, at least in a private letter.

As you will remember, during October and November of last year the negotiations went very well.¹ The then Regent, Kondylis, and his very forceful Foreign Minister, Count Theotokis, were doing their utmost to see that the army was provided with the military equipment it required. The reason for that display of energy must be sought in the political situation in the eastern Mediterranean, which at that time, immediately before the return of the King, was regarded as particularly menacing. After King George's return, the internal political situation changed. The King set up a Government of experts under the Professor of Civil Law, Demertzis, who seemed disinclined to devote himself to the acquisition of war material with the same energy

¹ See documents Nos. 369 and 459.

as had been displayed by his predecessors. The nearer Demertzis' Cabinet of experts drew towards the close of its term of office, the cooler became his interest in the purchases which were, indeed, urgently necessary. The elections of January 26 had led to what the British call a "deadlock".² The two opposing factions, Venizelists and Anti-Venizelists, face each other in approximately equal strength, with the result that for the moment it is quite impossible to see how a new Government can be formed. This uncertainty as to the country's fate means that,

(1) at the moment it is not possible to find any authoritative person with whom negotiations on the arms transaction could be conducted with any prospect of success, and

(2) the military authorities, too, are nervously avoiding any decision which might be binding upon them in the future.

The change in the attitude of our Greek opposite numbers in the negotiations first became apparent when Admiral Heusinger von Waldegg³ was here recently to negotiate on the delivery of destroyers and submarines. Contrary to his usual habit, the Chief of the Naval Staff, Oeconomou, for all his personal cordiality, was markedly more reserved in his attitude. As you know from our telegram,⁴ the Greek General Staff had inquired when General Auer⁵ could be expected to arrive here. The negotiations which General Auer has been conducting during the last few days show that, on the Army side, too, that liberality of outlook which at first marked the negotiations on procuring material has begun to disappear. In addition, the German tenders, which General Auer was to submit here, have in the great majority of cases not yet arrived. As General Auer has just told me, he has so far been in a position to present only about a tenth of the tenders requested. He is still waiting with understandable impatience for the others which were due to be delivered just before his departure on January 25.

Recently the Greeks have become somewhat suspicious in regard to the fulfilment of the condition they originally made that the deal should be concluded "between Government and Government".⁶ The Minister and I myself have repeatedly pointed out that there can, of course, be no question of the German Government playing the rôle of purveyor. All that can be done in this respect is to ensure that the tenders made are scrutinized by agents of our Wehrmacht to see whether they are satisfactory both technically and in respect of prices. The Reich does not possess any ordnance or war material factories

² In English in the original.

³ According to a communication from the C. in C. of the Navy to the Foreign Ministry dated Jan. 3, 1936 (5562/E396930), Admiral (rtd.) Heusinger von Waldegg was Chairman of the Board of the Deutsche Werke, Kiel.

⁴ Not printed (5562/E396949); this was telegram No. 7 of Jan. 17.

⁵ See document No. 459, footnote 5.

⁶ See document No. 312.

of its own. Herren Auer, Heusinger von Waldegg, Kienzel and the representative of the Reich Association of the German Aviation Industry, Quilitzsch, should be regarded in this context as agents. (As emerges from a remark by the General Staff Lieut-Colonel dealing with procurement of war material, the Greeks assumed that our War Ministry would make available the material required from its own stocks.) It now appears that the consortium set up under the leadership of the Otto Wolf[f] Company for the supply of war material to Greece has allowed the fact of its being a privately founded consortium to become a little too obvious. At any rate, General Auer was closely questioned yesterday morning as to whether he was the representative of the Otto Wolf[f] Company and naturally he quite rightly denied this. From this post I am not in a position to judge of whether it is true that the consortium is endeavouring to include in the agreed global transaction certain articles of a nature which does not permit of their being unconditionally classified as war material. At all events, we now have a situation in which certain firms, which for one reason or another are not represented in the consortium, are trying to have supplies excluded from the global transaction, in order to have them handled by the normal procedure of inviting tenders. It has come to our knowledge that a communication has been submitted to the [Greek] Ministry of War by representatives of various German companies, pointing out that the placing of orders through the consortium will put up prices and that the Greek Government would fare better if they returned to the old practice of inviting tenders. We have also succeeded in ascertaining that among the tenders is one submitted by the firm Geja-Syndikat, which is alleged to be representing a number of German military equipment firms. Among the representatives here there is lively discussion about a circular letter, alleged to have been issued by the firm of Otto Wolf[f], in which this firm points out to German firms not included in the consortium that it is useless for them to make offers direct to the Greek military authorities, because there can be no question of the supplementary exports procedure being extended to include outside firms, and that, in so far as an export permit is required, under the Law on War Material⁷, for the export of war material, such permits will be refused to these outside firms. I need hardly point out that matters of this sort do not remain secret in this country. On the contrary, the firms which have been hit by being excluded [from the consortium] seem to have given their representatives precise and detailed information on the state of affairs. The terms AGK, consortium, supplementary exports procedure, export permits for war material, are the daily subject of conversation among the representatives here. It is a source of constant surprise to us how accurately the interested parties

⁷ See document No. 402 and footnote 3 thereto.

are informed of the inner ramifications of the whole of this arms deal business.

That the representatives in this country of the German firms in question should regard with misgiving negotiations "between Government and Government" on a global transaction is quite understandable. Herren Eltze and Rambow, when here, personally noted the beginnings of alarm among some of those concerned. Meanwhile a regular conspiracy seems to be starting between the representatives and the middle-grade officials of the relevant ministries. The "*orientalia*", which the Finance Minister in his very first conversation with me said he wished to exclude completely, are in this way on the point of celebrating a happy return to the good old ways. There is no need for me to go into details about the business morals which exist in these parts of the world. One thing, however, is certain—the ban on "*orientalia*" is regarded by those hit by it as a bitter blow against their civic freedom. From what I hear, the representatives who are concerned about their commissions are proposing, together with the above-mentioned officials in the Ministries, to initiate a press campaign and, dressed in the toga of true patriots, to point out that their exclusion must have cost the State dear; for it is inconceivable that Otto Wolf[f] and the Dresden Bank have acquired the business entirely free of commission.

I do not take an unduly tragic view of such statements, since practices of this kind are of course very much the order of the day here. It does, however, seem to me that the time has now come for us to convince the Greek Government that we really mean business as regards this global transaction by making cut and dried offers to them.

There is one further point which I should like to mention, and that is the language question. The offers made can only be scrutinized here if they are written in French for the army and, if necessary, for the navy in English. As you will have seen from my telegram No. 13 of February 1,⁸ five weeks have elapsed since the request of the Admiralty Staff for translations of the artillery specifications for destroyers was made on December 31. In this connection I may point out that it is very difficult for General Auer to conduct technical negotiations with the help of a German interpreter of the General Staff, who can do no better than render the word *voilach* [saddle-cloth] as "cloth you put under a saddle". How the negotiation will turn out once the difficult technical details of anti-aircraft guns come up for discussion, I do not know. In any case the Legation, owing to lack of personnel, is not in a position to provide an interpreter; in any case our interpreter is not *au fait* with military matters.

As you see, the situation is thoroughly confused. We have, as yet, no experience of similar negotiations with other countries on

⁸ Not printed (5562/E396983).

which to draw. Our great chance in this arms deal with Greece is afforded by the presence of the large clearing balance of 21 million Reichsmark which the Bank of Greece has in the Reichsbank and by the fact that we are the biggest buyers of Greek products and especially of Greek tobacco. The Greeks are forced to try by any and every means to make use of their clearing balance by placing orders in Germany. In the other countries which are our competitors in the armaments business they would be compelled to pay for the most part in negotiable foreign exchange. Even so, it seems to me that special caution is called for. I need not assure you that the Legation is doing its utmost to remove all obstacles and to ensure that we get the order. I have preferred to write all this in a private letter to you, because it is very difficult to put the matter in a report which may well be circulated verbatim.⁹

With best wishes and Heil Hitler!

Yours, etc.,

KORDT

[P.S.] *Sit venia formae*—owing to sickness and recall, our ship has for weeks been sailing with fifty per cent of her normal complement.

⁹ Schmieden sent a copy of the document here printed to Lupin of the AGK under cover of a letter of Feb. 11 (5562/E397017) asking him to act upon it. An agreement on the procedure governing payments for arms deliveries was reached in July 1936; see vol. v of this Series.

No. 540

3857/E044532

The Foreign Ministry to the Legation in Switzerland

Telegram

URGENT

No. 3 of February 5

BERLIN, February 5, 1936—1:10 p.m.

Received February 5—2:30 p.m.

The German press has been directed as follows:

The murderer was not committing an act of revenge, did not know the victim, arrived from Yugoslavia three years ago from whence he had derived no motive for his deed. The reason is rather that during his three years' stay in Berne he had been exposed to a Swiss press campaign. The victim was innocent. He had the care of the Germans in Switzerland; his behaviour was always correct, as the Federal Council have attested.¹ The campaign was not conducted by the

¹ The reference is to a statement made in the Swiss National Council on Sept. 26, 1935, by Federal Councillor Baumann, head of the Federal Department of Justice and Police, in reply to an interpellation about the activities of the NSDAP in Switzerland and a request for the expulsion of Gustloff and his associates. Baumann stated that Gustloff had done nothing to warrant expulsion; rather he had attempted to prevent excesses by his party colleagues. Weizsäcker commented on this statement in Report A 1219 of Sept. 28, 1935 (8566/E600006-11). See also the Basle *National-Zeitung* of Sept. 26, 1935.

Spd. [Social Democratic] press alone, but the by entire left-wing press which has for years exceeded the limits of the permissible. The German Minister's constant and emphatic protests, also concerning the press campaign against Gustloff, were in vain and the outcome was the murder. Switzerland has not put her house in order for years; Swiss public opinion should concern itself with Switzerland and refrain from reading homilies to Germany. The Jakob² case is not to be mentioned in this connection. The Jewish question should be played down³ and it should above all be brought out that G[ustloff] never interfered in Swiss internal politics.

You should instruct German journalists accordingly for their reports.

ASCHMANN

² See document No. 125, footnote 3.

³ In a memorandum of Feb. 5 (M221/M007483) Senior Counsellor v. Bülow-Schwante noted that, as instructed, he had requested State Secretary Grauert (of the Reich and Prussian Ministry of the Interior) to take all necessary precautions to stop anti-Jewish excesses in connection with the Gustloff case. Reich Minister Hess had agreed that similar measures were to be taken by the Party organization.

No. 541

8546/E598074-76

The Minister in Switzerland to the Foreign Ministry

Telegram

URGENT

No. 8 of February 5

BERNE, February 5, 1936—11:50 p.m.

Received February 6—4:10 a.m.

II Sz. 120.

Further to my today's report by telephone.¹

Today I had a very serious conversation lasting three-quarters of an hour with Federal Councillor Motta. As I entered the room, he repeated in tones of deep emotion the words of sympathy contained in the letter of condolence of which you are aware² and which he said also expressed the profound distress of Federal Councillor Baumann.³ A plenary meeting of the Federal Council on Thursday⁴ will be devoted to the subject of the assassination and its consequences. I was assured that the Swiss Minister would make a *démarche* in the same sense tomorrow.⁵ As regards the judicial investigation, Motta said

¹ A memorandum by Renthe-Fink of Feb. 5 on a telephone conversation with Weizsäcker, in which the latter reported on his interview with Motta, is not printed (8546/E598064-68).

² Motta expressed regret at Gustloff's murder in a letter to Weizsäcker of Feb. 5 (6108/E452367), which bears the marginal note "Minute: Transmitted by telephone to the Foreign Ministry. D[ankwort], Feb. 5." The text of Motta's letter was also transmitted to Berlin as telegram No. 7 of Feb. 5 (8546/E598060) with the information that it had been received at the German Legation at 12 noon.

³ Head of the Federal Department of Justice and Police.

⁴ i.e., Feb. 6.

⁵ A memorandum by Bülow of Feb. 6 (8546/E598079) records an interview with the Swiss Minister who conveyed his Government's regrets.

that the Supreme Court of Grisons, which consisted of at least seven judges, would, on the basis of the intensive investigation now in progress, ensure that the severest and most thorough punishment was meted out for the abominable crime. The investigation would naturally, in the interests of Switzerland, too, have to cover the antecedents of the crime. It was true that there was as yet no evidence of there having been a concerted plot.

In the face of my grave complaints about agitation in the Swiss press being to blame, Motta tried to represent Jewish vengeance as the primary motive. He pointed out that the author of the crime was of rabbinical descent and returned repeatedly to the Semitic perpetrator's hatred for the Third Reich. He also tried, by drawing attention to the perpetrator's poor knowledge of the German language, to cast doubts on his having been incited by the Swiss press.

I began by pointing out that the perpetrator had acquired a knowledge of the language as a student in Germany. I reminded Motta that I could hardly recall a single official conversation with him during the last two years when I had not protested most strongly against the Swiss press campaign. This campaign had not only represented the murdered man as the embodiment of National Socialist disruption in Switzerland and had consistently demanded his expulsion from Switzerland, but had also, at least covertly, encouraged violence against him. This fact was known to both the Cantonal and the Federal Police, as were also the occasional threats made against me by letter or telephone. Without some such agitation, the perpetrator, even on the incorrect assumption of a purely Jewish motive, would never have had his attention focused on the murdered man as the object of his crime. The guilt of the Swiss press was therefore incontrovertible.

Motta tried to argue that, according to the statement made by the perpetrator, his real object had been to murder the Führer himself. Since he could not reach him, he had attacked the Landesgruppenleiter, who was within his reach. When I persisted in my point of view, Motta declared that the judicial investigation would undoubtedly disclose both the motive and any possible complicity of the Swiss press, which he now no longer altogether contested.

On my making further representations concerning the Swiss Government's utter irresolution over intervening against the press campaign, Motta finally promised me that in the full Federal Council he would press most energetically for a severer use of the possibility, within the terms of the Swiss Constitution, of issuing warnings and prohibitions.

I described the instructions which I had received from Berlin⁶, and to which I had referred in my conversation with Motta, as being purely provisional and I reserved the right to make a further *démarche*.

⁶ See also document No. 540.

The case was far too serious to be regarded as finished and done with, merely after expressions of sympathy, the prosecution and sentencing of the perpetrator and the exertion of a firmer influence on the press. I reminded Motta of a conversation only a week ago, during which I told him, in a different context, that he should not take the reserve so far displayed by German public opinion too much as a matter of course or misinterpret it. Switzerland's account with us was getting more and more heavily overdrawn. The present hideous crime would well-nigh fill the cup to overflowing. Widespread political repercussions could, in my view, scarcely be avoided. Motta closed this discussion, which was a painful one for him, with renewed assurances of his most earnest desire and intention to see relations between Germany and Switzerland, also where public opinion was concerned, restored to a state such as was fitting between neighbours, and was in keeping with the old close ties between our two countries.

WEIZSÄCKER

No. 542

7826/E568131-38

*Circular of the State Secretary*¹

[BERLIN, February 6, 1936.]²
e.o. II Oe. 390.

The Italo-French project for a pact of non-intervention having, in consequence of the repercussions of the Italo-Abyssinian conflict, sunk quietly into oblivion, and a fairly long period of relative quiet in Danubian politics having ensued, an increase in diplomatic activity in Danubian matters has of late been observable. The reports so far available are too incomplete, and, in part, too contradictory yet to permit of forming an altogether clear picture of what is happening. Moreover, the situation would still appear to be fluid, so that it is not yet possible to judge with certainty as to whether the discussions now in progress will lead to any positive result at all and as to what form possible proposals might take.

Meanwhile, the following may, however, be of interest by way of information:

1) Whereas last year the main driving force behind the Italo-French project for a pact of non-intervention was to be found in Rome, the initiative now appears to have come chiefly from Prague. Czechoslovakia's policy is clearly designed to exploit Italy's weakness, and the consequent need of the Austrian Government to look for support,

¹ Sent by courier between Feb. 6-17, 1936, to the Missions in Paris, London, Rome, Warsaw, Moscow, Ankara, Vienna, Budapest, Prague, Belgrade, Bucharest, Sofia, Athens, Berne and Brussels and to the Consulate at Geneva.

² Date and signature are taken from another copy of this document (K1092/K281912-18).

for the purpose of drawing Austria both politically and economically into the orbit of the Little Entente. It is probably not proposed to include Austria in the Little Entente direct; the Czechs seem rather to have in mind linking Austria to the Little Entente by means of special regional agreements. Although, as previous experience has shown, such agreements would be concluded under the outwardly harmless cover of "securing the stability and safety of the Danubian Region", they would, in actual fact, be directed primarily against Germany. According to our information, the conversations which took place between the Austrian Federal Chancellor and the Czechs during the former's visit to Prague,³ and about which Beneš is said to have expressed great satisfaction, were on the lines indicated above. The statements made by the Czech Minister President, Hodža,⁴ shortly after the Federal Chancellor had left, concerning the organization of a new Central Europe, gave a clear indication of the nature of the Czech plans. It is perfectly obvious that such an organization, which would exclude Germany, could not solve the economic problems of the Danubian Region.

2) It is at present difficult to determine how far the Austrian Government have already committed themselves to a policy of *rapprochement* with France and the Little Entente. There can, however, be no doubt that a *rapprochement* with the Little Entente is, in fact, being pursued in Vienna. That this is so is indicated not only by Schuschnigg's visit to Prague but also by the Austrian Foreign Minister's repeated attempts, of which we are aware, to arrange a meeting with the Yugoslav Minister President, attempts which have so far been frustrated by the Yugoslav Government's refusal. It is quite possible that this policy is also dictated by a desire on Austria's part to establish better relations with France and Britain via Prague, so as to extricate herself from the isolation in which she found herself in consequence of her attitude in the sanctions question. One of the chief difficulties which this policy is encountering is, according to all the reports to hand here, the question of the restoration of the Habsburgs. This question has played a certain part both in London and in Paris in the conversations held by Prince Starhemberg.⁵ Whether, in the course of these discussions, a formula has been found which will, on the one hand, appear acceptable to the Austrian Government themselves and which will, on the other hand, satisfy the States of the Little Entente, cannot yet be determined.

³ On Jan. 16-17, 1936; see also document No. 543.

⁴ At a press reception on Jan. 24, 1936, Minister President Hodža spoke of the need for closer cooperation among the States situated between Germany and Soviet Russia. He expressed the desire of the Czechoslovak Government to prepare a Central European agreement, the first step towards which would be a political and economic *rapprochement* between the Little Entente and the countries of the Rome Protocols (signed between Italy, Austria and Hungary on Mar. 17, 1934).

⁵ See also document No. 544.

3) Although the thought that, if Austria were to lean towards Czechoslovakia or the Little Entente, then Italian influence in Vienna would in future be replaced by Czechoslovak influence, should not in itself give the Yugoslav Government cause to take up a stand in opposition to Austria's newly initiated policy, yet Schuschnigg's visit to Prague, and in particular the speech which Starhemberg made in connection with it shortly afterwards,⁶ have none the less given rise to some disquiet in Belgrade. As we know, the Yugoslav Government fear that Czechoslovakia might, in return for a *rapprochement* between Austria and the Little Entente, come more or less to accept the idea of the Habsburg restoration. In view of the Yugoslav Government's previous attitude, it may be assumed that they will continue obstinately to oppose all efforts for a restoration, and that they are not likely to be inclined to accept an interim solution in the Habsburg question nor to allow themselves to be involved, without prior clarification of this point, which is of decisive importance to them, in a grouping of Powers—especially one directed against Germany—for the benefit of Austria.

4) It is against this background that the conversations took place in Paris immediately after the funeral ceremonies in London. Apparently under French guidance, the discussion was placed on a very much broader basis, with the object of settling several questions of major policy at the same time, namely, a guarantee of Austria's independence and frontiers, the organization of a Danubian Entente [*Donaubund*], the establishment of treaty relations between Soviet Russia and Rumania, and the accession of Bulgaria to the Balkan Entente [*Balkanbund*]. It is obvious that the difficulties which previously arose in respect of the Italian plans for a Danubian Pact must also become manifest in respect of the new plans. What Italy's attitude to the new plans will be is not as yet clear either. As for Hungary, she has, from the outset, taken the line she had already previously adopted, namely, that she would only participate on the condition that all the European Great Powers took part. A further difficulty may arise from the fact that to link up a pact guaranteeing Austrian independence with a Rumano-Soviet Russian pact, as it is obviously intended to do, will bring up several awkward questions. According to the latest press reports, it would appear that the Austrian side have for the time being rejected the idea of Austria's being guaranteed by Soviet Russia.

As far as Soviet Russia and Rumania are concerned, it is known, from the earlier discussions on the question of establishing treaty relations between these two countries, that considerable opposition was manifested in Rumania. What attitude Soviet Russia is adopting

⁶ At a rally of officials of the Fatherland Front in Vienna on Jan. 19, 1936; see document No. 526, footnote 2.

to this question is still very uncertain. According to the latest reports it would appear that Soviet Russia places greater importance on collective security—and that within the framework of the League of Nations—than on a bilateral pact with Rumania or on participation in a Danubian Entente [*Donaubund*]. Soviet Russian foreign policy will, of course, gladly make use of every opportunity of increasing its influence in South-Eastern Europe but will endeavour to avoid entering into any commitment which might mean recognizing the Rumanian-Bessarabian border.

There is, consequently, no doubt that, before they can be realized, the plans discussed in Prague and Paris are bound to encounter considerable difficulties and much opposition, which makes it questionable whether any practical results will be achieved. On the other hand, it has already become evident that there is a tendency, now that Italy has dropped out, to endeavour under French leadership to create a new treaty system directed against Germany, in order permanently to separate Austria from Germany.

We must, therefore, follow very closely all events having any connection with this.⁷

BÜLOW

Addition for Belgrade only:

We take it as self-understood that the Yugoslav Government will continue their policy of refusing to participate in any combination directed against Germany, just as we should refuse to participate in any combination directed against Yugoslavia. Any Danubian pact in which Russia participated in one way or another would be indiscussible for us, since it would from the outset have to be regarded as a combination directed against Germany.

You should mention this at an opportune moment in your conversations with the Yugoslav Government, but should avoid giving the impression that you are making an official *démarche*. In your conversations you might also allow it to appear that, according to our information, the idea of a Habsburg restoration has by no means been dropped in Vienna, despite the various statements recently made by members of the Austrian Government.

By order:

R[ENTHE]F[INK]

⁷ This document is marked: "To be submitted for approval to the State Secretary on account of page 8." (i.e., the addition for Belgrade only, which was initialled by Bülow and Heinburg on Feb. 6, 1936).

No. 543

8086/E578056-53

*Circular of the Foreign Ministry*¹

BERLIN, February 6, 1936.

II Oe. 391.²

Subject: Economic-political combinations in the Danubian Region.

With reference to our despatch II Oe. 297 of January 30.³

The visit of the Austrian Federal Chancellor to Prague and his speech to the Industrialists' Club there, and the very numerous conversations which were recently held in Paris between leading French statesmen and a series of Heads of State and Members of Governments from the States in the Danubian Region have restored the question of a new economic order in this region to the centre of interest. It is obvious that in this, as in previous attempts of a similar nature, the majority of those concerned are thinking much less in terms of the economic expediency of the plans they are pursuing and of their utility to the participating States than primarily in terms of achieving political objectives. According to such information as we have received to date and in view of the French declaration that an economic organization of the Danubian Region could only come to pass after the Abyssinian campaign had ended and Italy was in a position to participate in the discussions, we need scarcely fear that in the near future concrete agreements will come into being which are directed against us. Nevertheless, it would seem to be desirable that we should pay particular attention to these events just now in order, as far as possible, to obtain early information, specially with regard to any preference agreements that may be envisaged.

In the German view, Germany's great strength *vis-à-vis* all these various combinations lies, as always, in the fact that in trade with individual Danubian States we are a long way ahead of everyone else. As a result of the series of bilateral agreements⁴ concluded since 1934 with this object in view with the individual States concerned, this

¹ Addressees were the Missions in London, Rome, Paris, Warsaw, Vienna, Prague, Belgrade, Budapest, Bucharest, Sofia, Berne and Athens and the Consulate at Geneva.

² This copy of the document here printed is taken from the Rome Embassy files; the Foreign Ministry working file of Referat II Oe., entitled Wi. 7 Danubian Economic Federation, is not held, but it has proved possible to trace most of the relevant documents in either the Handakten or the Mission files.

³ Not printed (8937/E627643/1-5); this despatch gave a *résumé* of available reports on Schuschnigg's visit to Prague on Jan. 16-17, the ostensible occasion of which was to give an address to the Prague Industrialists' Club on the subject: "Methods and aims of economic development in Central Europe".

⁴ For further details of the principal agreements signed with Hungary on Feb. 21, 1934, see vol. II of this Series, document No. 322, with footnotes 1 and 2 thereto; with Yugoslavia on May 1, 1934, see *ibid.*, document No. 318, with footnote 5 thereto, and vol. III of this Series, document No. 23; with Rumania on Mar. 23, 1935, see *ibid.*, documents Nos. 543 and 551.

predominance has fortunately been very considerably enhanced during the last year. It has been shown that the German method of negotiating individually with each separate State in the Danubian Region and of concluding separate agreements with them has attracted less political attention, and has also so far proved in practice far more effective, than the repeated attempts of the other side to bring into being a collective system under the title of the Tardieu Plan⁵ or something similar.

For information and for such use as can be made of them we are at the same time sending Missions an article from the *Volkswirt*, "Economics and Politics in the Danubian Region",⁶ a leading article from *Deutsche Briefe*⁷ and an article from the *Diplomatisch-politische Korrespondenz*.⁸ The detailed statistical information in the *Deutsche Volkswirt* article may well be found to be of particular value in discussions on these subjects and cannot fail to have its effect, particularly on the leading men of the South-Eastern States concerned.

By order:
CLODIUS

⁵ The reference is to a plan, put forward by the French representative, Tardieu, at the London Four-Power Conference (Britain, France, Germany, Italy) held in April 1932. Its main proposals were that the five "Danubian" States (Austria, Czechoslovakia, Hungary, Rumania, Yugoslavia) should grant each other reciprocal customs preferences, that certain other countries, including Germany and Italy, should grant the Danubian States preferential entry for agricultural produce, and the raising of a loan to be devoted, under international supervision, to stabilizing the financial position of the Danubian States. The plan was rejected at the Conference, largely owing to Italian and German opposition. See *Survey of International Affairs*, 1932, Pt. I, pp. 22-23; *ibid.*, 1933, pp. 205-206; *ibid.*, 1934, pp. 487-488, 493. See also vol. I of this Series, document No. 5 and footnote 3 thereto.

⁶ Not printed (M242/M008093-96).

⁷ Not printed (M241/M008083-87).

⁸ Not printed (M241/M008088-91).

No. 544

6081/E451366-71; 78-81

The Minister in Austria to the Führer and Chancellor

A 745

VIENNA, February 6, 1936.

Received February 7.

II Oe. 402.

Subject: Starhemberg's report on his London talks. Kánya on his London impressions. Mussolini's intervention in Vienna.

Through a confidant I have received the text of a report made on January 31 by the Foreign Minister, Baron Berger, to the Austrian Cabinet on the results of the London talks of the Vice Chancellor, Prince Starhemberg.

The report, the genuineness of which I have no cause to doubt, is enclosed. Three points in it are noteworthy:

1) Eden's repeatedly stressing that the principle of a system of collective peace and security forms the basis of British policy in Europe, and that regional pacts within this system could be described as only necessary stages.

2) That it is British policy, like French policy, to counsel Austria to pursue the path of a *rapprochement* with the Little Entente, that, however, the London Cabinet in no way desire Germany to be excluded—and indeed, that the German Reich is to be given every opportunity “effectively to participate in the new organization of the Danubian Region”.

3) That British policy completely and clearly rejects all efforts on the part of the Austrian Government to bring about a restoration.

Under the impression of this state of affairs, the Vice Chancellor appears to have abandoned his proposed conversation with Otto of Habsburg. The interview he has given on his Paris conversations¹ clearly indicates a complete retreat in the Habsburg question.

Yesterday I had an opportunity of having a detailed conversation with the Hungarian Foreign Minister, M. de Kánya, on his way back from London. His account may perhaps supplement the personal impressions gained by Baron von Neurath in London,² and for this reason I repeat it here:

First of all M. de Kánya had a conversation, lasting for over an hour, with the King to whom he gave, in connection with statements by the representatives of the Little Entente, a full description of Hungary's position and aspirations. The King, who has long been sympathetic towards Hungary, received the statement with great interest, and Kánya gained the impression that the King was considerably less prejudiced about the German problems than was his predecessor. Both the King and Sir Robert Vansittart expressed a favourable opinion of German foreign policy, the caution and well-weighed nature of which they characterized as serving the cause of European peace and as being in sharp contrast to Mussolini's policy. Mr. Eden's statements were less sympathetic; he spoke at surprising length and with concern about Germany's rearmament. While Sir Robert Vansittart was working for a compromise in the question of the Italo-British conflict and hoped for it in the spring, Mr. Eden merely stated that Britain would not take any new initiative in the League of Nations and that it rested with Mussolini to create an opening for negotiations.

Titulescu, who was exceedingly active in London as well as in Paris,

¹ In the course of an interview which appeared in a Paris afternoon paper on Feb. 5, 1936, Starhemberg was alleged to have said that a Habsburg restoration was not, for the moment, in question and that Austria wanted the closest possible collaboration with the Little Entente. The interview was officially denied. See *The Times* of Feb. 6, 1936.

² See documents Nos. 522 and 523.

had also made an attempt, in conjunction with Litvinov, to start talks with Hungary on the question of improving Rumanian-Hungarian relations. Sir Austen Chamberlain had gone to see Kánya in order to submit to him a proposal by Titulescu which suggested certain economic advantages in exchange for political concessions. But Kánya declined to enter into any talks. He had also kept clear of the performance staged by Titulescu in Paris and confined his display of courtesy towards the French Government to sending in his card. It appeared to him that, after the ratification of the Franco-Russian Pact, M. Litvinov and his friends would start an intensified campaign, but, spoilt by the good treatment he had received in London, Litvinov now considered M. Titulescu as a personality of only minor importance.

I then asked M. de Kánya about the impressions he had gained in Vienna (he had a conversation with Baron Berger yesterday). He told me that, in connection with the London talks with Baron Neurath³ but without mentioning the latter by name, he had asked Baron Berger yesterday whether Mussolini was pressing in Vienna for negotiations and reconciliation with Germany. Herr von Berger had replied with a plain "No".⁴ (On the actual situation, see my remarks below.) French pressure on Vienna remained, as before, extremely strong. It was known to him—Kánya—that a "formula of friendship" had been worked out for the renewal of the Czech-Austrian Treaty of Arbitration which lapses on May 1,⁵ and that the Quai d'Orsay itself had drafted it. To this statement the Hungarian Foreign Minister added the remark that amongst all Hungary's enemies the Czechs were the most inferior and the best hated. One must try to counteract the French pressure in Vienna. He had recently let Mussolini know that the French Military Attaché in Budapest⁶ was one of the greatest Italy-baiters. Similarly Kánya would, in keeping with German views, also exert pressure on Mussolini to use his influence in Vienna in favour of a normalization of German-Austrian relations.

He expressed himself this time more sympathetically than hitherto on the subject of relations with Yugoslavia.

From another source I hear further that in London Prince Starhemberg urgently wished to have a conversation with Prince Regent Paul, but that the latter declined. Herr Berger likewise made a fresh effort to get more closely into touch with the Yugoslav Government.

³ No record of any conversation between Neurath and Kánya in London has been found.

⁴ Marginal note in Neurath's handwriting: "Inform Hassell." This was done in a letter, II Oc. 402 of Feb. 10, 1936 (6081/E451382-84).

⁵ The Czech-Austrian Treaty of Conciliation and Arbitration was signed at Vienna, Mar. 5, 1926, and ratified at Prague, May 31, 1926; for the text see *B.F.S.P.*, vol. 125, pp. 103-106. This treaty was to remain in force for 10 years from the date of ratification. If not denounced at least one year before the expiry of this period it was to be automatically renewed for a further 10-year period on the same terms.

⁶ Brigadier A. de Sennerville.

For this purpose, Starhemberg's Adjutant, Prince Windisch-Graetz, recently wrote personally to Prince Regent Paul. M. Nastasijević will shortly inform me of the impressions gained by the Prince Regent, who will be returning via Austria the day after tomorrow.⁷

During the last days of January, as I am reliably informed, a conversation took place between Baron Berger and the Italian Minister, Preziosi, with a view to reassuring the Federal Government regarding the German-Italian *rapprochement*. In this conversation the Italian Minister, questioned by Herr von Berger about the future security of Austrian independence and the restoration of the Stresa Front, replied somewhat as follows:

The sovereignty and independence of Austria formed, now as hitherto, the corner-stone of Italian policy in the Danubian Region. Italy was indeed striving to reach agreement with Germany on questions of international and particularly of Central European policy. This was also in the interests of Austria. The Italian Government did not, however, intend to enter into any agreements—either with Germany or with any other Power—which might give the Federal Government cause for uneasiness. As long as Austria did not abandon the basis of the Rome Protocols,⁸ she could remain sure of Italian friendship and support.

As for the restoration of the Stresa front—this front was a thing of the past. In all probability new solutions would have to be found which would include participation by the German Reich in the economic reconstruction of the Danubian Region. Should German National Socialism not renounce its pan-Germanic aspirations after all (which actually concerned Italy only in respect of Austria and the South Tyrol), it was perhaps possible that the Stresa Front would be reconstituted in one form or another. In any case, the Italian Government had always stressed that they aspired to the separation of European questions from the colonial controversies existing between the Powers.

It would follow from this that Mussolini has really modified his attitude to the Austrian question, and that meanwhile the Austrian Foreign Minister is endeavouring to conceal this weak spot from others.

I shall continue closely to observe how the situation develops in this respect.

PAPEN

[Enclosure]

Copy

[VIENNA,] February 2, 1936.

At the session of the Council of Ministers on January 31, 1936, the

⁷ In despatch A 867 of Feb. 12 (6114/E454526-28), Papen reported on a conversation between Prince Paul and Nastasijević of Feb. 10, 1936.

⁸ The three Italo-Austro-Hungarian Protocols signed in Rome on Mar. 17, 1934; for the text see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-303. See also vol. II of this Series, document No. 332.

Foreign Minister, Baron von Berger-Waldenegg, made the following report on the results of the London conversations of the Vice Chancellor, Prince Starhemberg:

"It was to be foreseen that the meeting in London of numerous ruling princes and leading statesmen would result in a far-reaching exchange of views on those questions of international politics that are at present acute. The Vice Chancellor naturally made use of the opportunity of his stay in the British capital to direct all his efforts towards fully asserting the aims of Austrian policy and towards securing effectively and permanently the vital interests of the Austrian State. As was naturally only to be expected, his conversations with the head of the Foreign Office, Eden, were of decisive importance. The first important conversation between the Vice Chancellor and the British Foreign Secretary took place as early as Tuesday, January 28, in the easy atmosphere of a social evening at Sir Philip Sassoon's⁹ house. This conversation already showed unequivocally that the British Government—at least in so far as Mr. Eden considered himself entitled to speak in the name of the whole Cabinet—appear to have definitely decided to make the *principle of a system of collective peace and security the corner-stone of the British Empire's political objectives*. Although Mr. Eden repeatedly stressed that his conversation with the Vice Chancellor was exclusively of an informatory nature, Prince Starhemberg was able to establish at once that this was only a cautious manner of speaking and that the head of the Foreign Office was giving expression to the line of British policy that had already been laid down. This first conversation between the Vice Chancellor and Mr. Eden at *Sir Philip Sassoon's house already made it clear*:

1. That the British Government intend, in all circumstances, to maintain the League of Nations, to strengthen its authority and to consolidate and extend the sphere of influence and the competence of the Geneva organization. Without idealizing or over-estimating the present form of the League of Nations, the British Government are consistently and resolutely pursuing a policy based on the Covenant of the League of Nations.

2. That the British Government are striving for the realization of the system of collective peace and security within the framework and on the basis of the League of Nations Covenant. *Regional pacts were, in the British conception, only necessary stages on the way to the realization of an international system of collective security.*

3. That, from the point of view of practical politics [*realpolitisch*], an effective guarantee of Austrian independence represents such a stage. As Italy is not, at the present moment, in a position effectively to guarantee the independence of Austria, the latter must continue to follow the path she has already embarked upon, which is that of a

⁹ British Under-Secretary of State for Air.

rapprochement with the Little Entente States, until a viable collective structure has been built up in the Danubian Region. The linking up of the Little Entente States with those of the Balkan Union and the support of the new order in the Danubian Region by the Great Powers (France, Great Britain and the Soviet Union—and that indeed within the framework of the League of Nations Covenant—were the main Powers to be considered in this respect) would be sufficient to prevent, from the start, any disturbance of the peace in this part of Europe.

In accordance with the decisions of the Federal Government on this point, the Vice Chancellor represented the Austrian point of view to the British Foreign Secretary, and strongly emphasized that *the Legitimist concept* was the only one that could be successfully opposed to the disastrous *influence of German National Socialism* in Austria. *This opinion was not, however, shared by the head of the Foreign Office.* Mr. Eden explained unequivocally to the Vice Chancellor that the British Government had come to the conclusion that the idea of a restoration and any kind of revisionism were, at the present moment, undeniably the obstacles to realizing a system of collective security in the Danubian Region. Neither of these problems was acute at present, and they had to be treated accordingly. The Austrian Federal Government would do well to abstain from anything that could hinder a far-reaching *rapprochement* between Austria and the Little Entente.

On Wednesday, January 29, the Vice Chancellor was received by His Majesty King Edward in a half-hour's audience, which, in substance, hardly went beyond the limits of a conventional visit. It is necessary, however, to state in this case too that the British King, broadly speaking, represented the same point of view as that expressed on the previous evening by Mr. Eden. King Edward expressed his warmest sympathy with the Emperor Otto, but stressed at the same time that the good of Austria lay in the provisional renunciation by the Imperial House of the proclamation and exercise of its rights.

Following upon the audience with King Edward, a second conversation took place between the Vice Chancellor and Mr. Eden. The positive result of this conversation undoubtedly lay in the fact that the British Government declared that they were prepared actively to collaborate in the guaranteeing of Austrian independence against any attack from without. *The negative result of the conversation was the almost forced declaration by the Vice Chancellor, and that in the name of the Federal Government, that Austria renounced, for the next few years, any attempt to raise the question of restoration or revision.* The constant reference by the British Foreign Secretary to the fact that the London Cabinet *on no account desired the exclusion of Germany from the Central European system of peace and security* also struck Prince Starhemberg as not entirely reassuring. 'We shall employ all our efforts', declared

Mr. Eden to the Vice Chancellor, 'to afford the German Reich too every opportunity for participating effectively in the re-organization of the Danubian Region.' The extremely reserved reply made by the British Foreign Secretary to Prince Starhemberg's question as to Great Britain's attitude to the National Socialist demand for a *plebiscite in Austria* ('we have not yet studied this problem,' were Mr. Eden's actual words), also provides much food for thought."

No. 545

5737/H029455-60

The Ambassador in Italy to the Foreign Ministry

No. 634

ROME, February 6, 1936.

Received February 8.

II It. 142.

POLITICAL REPORT

Subject: Italy—Austria—Germany.

If one poses the question what political constellation at the turn of the year 1934/35 determined the initiation of Italy's policy against Abyssinia, the answer must be that it was the German-Italian conflict over Austria! This determined both the choice of date and, above all, the political methods adopted. Without this conflict, the Franco-Italian understanding of January 7, 1935,¹ which forms the political basis for Italian action, would never have come about; France actually offered nothing more in the colonial disputes, going back as they do to Versailles, than she had offered before, which is to say, apart from the—problematic—free hand in Abyssinia, remarkably little. But what France did do was to offer Italy the backing she desired against Germany in respect of the Austrian question, a question which for months had been occupying the minds of Italians to the exclusion of all else. Whilst the resultant situation naturally strengthened the French inclination (for they saw their chance) to make an end once for all of the Franco-Italian disputes, for Italy the French support on the Brenner provided a counterpart, which was otherwise lacking, for Italian moderation over colonies and also the requisite security for a resort to force in East Africa.

History must judge as to the specific factors to which the German-Italian estrangement over Austria should be attributed. There can be no doubt that after Dollfuss' death, Mussolini, with unfounded anxiety and to the neglect of all other problems, mingled passion with politics, in concentrating on the Austrian problem, in a very dangerous

¹ See vol. III of this Series, document No. 405 with footnote 1 thereto, and documents Nos. 408 and 417.

way. But it is equally certain that the political methods in respect of Austria followed by certain irresponsible German personages, suffering both from illusions and from lack of political sense, served to pave the way for subsequent developments.

The statements which Mussolini twice made during January² about the Austrian problem seem to show that he is inclined in a sense to write off his previous Austrian policy. In order that we Germans may draw the proper conclusions from this attitude of Mussolini's, it is useful to try and picture the basic Italian motives which have inspired it.

In so doing we may proceed from the fact that Mussolini's attitude can be assessed as a sign of weakness. But that does not get us much further as far as our own attitude is concerned. It is abundantly clear that today, surrounded as she is by enemies and by difficulties, Italy must attempt to create as favourable "weather conditions" as possible around her and to eliminate friction wherever this appears possible. It is also the case, as Mussolini himself has admitted, that the influence exerted in Vienna by an Italy in conflict with the League of Nations and with Britain cannot in any case be as strong now as once it was. One might therefore be inclined to conclude that Italy is giving us something that is no longer hers to give and is proposing to gain certain concrete advantages by means of a gesture which has in fact already become meaningless. This consideration is vitiated by the fact that Mussolini is undoubtedly aware of the impossibility of extracting immediate, concrete advantages from us. It must further be borne in mind that, while Italian influence in Vienna has sharply declined, it has certainly not disappeared altogether. And, finally, it would be a mistake to consider only the present moment when assessing Mussolini's attitude. Even today there undoubtedly still exists a possibility of political developments occurring such as might make Italy's attitude in the Austrian question a matter of importance to us.³ From what has already been said, therefore, I would venture to conclude that the undeniable fact of Italy's weakness should not prevent us from regarding the statements, once made, as a politically important and utilizable event.³

A further argument, which might tend to call forth scepticism over Mussolini's change of course, lies in the suspicion that he intends to inveigle us into taking action against Austria, in order to divert the attention of the world, and particularly of France and Britain, from Italy to Germany, as the real disturber of peace in Europe and that he is acting on the assumption that the opposition put up by the other Powers would suffice to render a predominance on the part of the

² See documents Nos. 485 and 525.

³ Another copy (5737/H029461-67) of the document here printed bears at this point a marginal note in an unidentified handwriting: "Yes."

Reich in Vienna impossible. Such a line of argument, however, presupposes inept behaviour on our part as regards Austria of a kind such as Mussolini could surely scarcely attribute to us. Incidentally, Attolico, the Italian Ambassador in Berlin, has expressly warned us against any precipitate action *vis-à-vis* Austria.⁴ Nevertheless, there is undoubtedly a grain of truth in the line of argument set forth above, in that Mussolini would undoubtedly not be displeased if France's attention were to be drawn to the efforts which are being made to compose the differences between Berlin and Vienna, and between Italy and Germany, and generally to draw these latter two countries closer together. It may be intended to exert a certain amount of pressure on France in this way; indeed, in view of the difficult position in which Italy finds herself, this seems all but inevitable.³ But, in my view, to have recognized this aspect will suffice to restrain us from taking any steps which might turn Mussolini's attempts at a *rapprochement* with Germany into a dangerous move against us.³

Finally, the fear has been expressed that Mussolini's statements mean merely that he wishes to create for himself an alibi, since he foresees, and, indeed, perhaps secretly welcomes, the possibility of Austria's going over to the side of the Little Entente and of France and Britain, but wishes to give Germany the impression that he, for his part, has made and is still making every effort to steer Austria towards Berlin rather than towards Prague. Real proof both of the sincerity and of the practical value of Mussolini's new attitude can only be furnished by further developments in Vienna. Meanwhile this much at least can be said now: Mussolini, though he may express himself ambiguously to one side or the other for the sake of creating a favourable atmosphere, neither desires, nor could desire, Austria to slip away into the Little Entente combination. I would also assume that, even today, Mussolini is opposed to a Habsburg restoration—an attitude which may well have helped to determine his "new course".

Finally, in order to obtain as clear an understanding of Mussolini's motives as possible, it is necessary to cast a glance at the general political factors. The Italian Ambassador, Attolico, told me recently that he was not trying to bring about some sort of definite combination in the form of an alliance between Germany and Italy, but to restore mutual trust and good relations between the two countries, and was at the same time striving to ensure that Italy did not join any other combination, and, in particular, did not commit herself, for good or ill, to France. This, I think, indicates the crux of the matter. The distribution of power, and geography, have assigned to Italy a middle course, or, if one prefers it, a pendulum position. Anyone who relies on gaining Italy as an absolutely trustworthy ally is taking a risk which it may in certain circumstances be right to take, but which

⁴ See document No. 506 and also footnote 3 thereto.

must always be recognized as such. On the other hand, Italy has just recently discovered once again, and that in a manner highly satisfactory from our point of view, that she comes off very badly when she deserts her natural middle course and Germany, and throws herself into the arms of France. I consider it desirable from our point of view that Italy pursue a middle course, with the balance rather more in our favour than in that of the other side, and one by which Italy would be prevented from participating in any Stresa-like combination directed against us, a middle course, too, which might eventually also lead to a German-Italian understanding over questions relating to the Danubian Region.

I see in Mussolini's new attitude to the Austrian question a first attempt to regain this pendulum position. Not, of course, that he has now suddenly become enthusiastic over the idea of an "*Anschluss*" or that he considers that the "German danger" on the Brenner no longer exists! But he does now realize that there are other more pressing dangers and believes that in the last analysis good relations with a Germany waxing strong would serve Italian interests better than maintaining the tension created in 1934. As I have been able to ascertain, he has issued instructions at home to the effect that a *rapprochement* with Germany must be the aim of Italian policy. He expressed the same views in conversation with the Hungarian Minister here.⁵ It is unnecessary to repeat that it was desperate necessity which gave rise to this attitude. That, however, does not alter the fact that we can turn it to our advantage by assessing it with the utmost caution,⁶ as I have suggested above. If it is true that the preservation of Fascism is highly desirable for the Third Reich,⁷ it can be said with equal certainty that it is in the interests of German foreign policy that Italy should retain her importance as a factor in the interplay of European politics and, moreover, as a factor which asserts its independence *vis-à-vis* any combination in process of formation against Germany, such as, for instance, one consisting of Russia, France and Britain. What dangers, in connection with such or a similar combination, would result for us from a regrouping of the Danubian Region under an East-West aegis need not be stressed.⁸

HASSELL⁹

⁵ Frigyes Baron de Villani.

⁶ Marginal note on the copy cited in footnote 3 above: "With the utmost caution! D[jeckhoff], Feb. 11."

⁷ See also document No. 506.

⁸ Marginal note on the copy cited in footnote 3 above: "In the face of a combination Britain-France-Russia, if such should ever come into existence again, Italy would carry little weight on Germany's side. I agree with Hassell's statement to the extent that a sort of pendulum position on Italy's part has certain advantages for us; I am unable to rate Italy higher than that; her policy is too unreliable and her military effectiveness too low for her seriously to carry weight one way or another. D[jeckhoff], Feb. 11."

⁹ This document is marked: "The Chancellor is informed. L[ammers], Feb. 18."

No. 546

6207/E469316-18

Consul General Radowitz to Senior Counsellor Roediger

DANZIG, February 6, 1936.

DEAR HERR ROEDIGER: In report IG 118 of February 1 of this year¹ I enclosed the text of the speech which President of the Senate Greiser made to three meetings on January 31, and said that I might return to the statements made that day by the President of the Senate and by the Gauleiter. I now think it better to take this way of telling you the following on this subject:

There is nothing to be said against President of the Senate Greiser's speech, apart from his opening remarks about the League of Nations itself, which he would have done better to have omitted. It is clear that Greiser's view with regard to the Opposition is that they have done a disservice to the German cause at Geneva—this is the attitude of every decent Danziger of German stock. In his speech Greiser avoided all personal references to the High Commissioner; in view of the situation this seems appropriate and corresponds entirely to his intention of re-establishing a friendly personal relationship with the High Commissioner, in which I have promised him my full support.

Gauleiter Forster, in his speeches, dealt very exhaustively and sarcastically with the High Commissioner, which I did not consider desirable. Indeed, in a conversation with Greiser, Lester drew his attention to the fact that the Gauleiter had again attacked him in a public speech. But after Greiser had assured Lester that this was due purely to the fact that in his report the High Commissioner had dealt in great detail with the personality of the Gauleiter and that it was for this reason only that Forster had felt it necessary to comment on the observations made in the report, Lester had calmed down.²

The Gauleiter himself said to me that in future he would refrain from attacks on the League of Nations or the person of the High Commissioner, and, in view of Greiser's obvious goodwill, it seems to me that the matter has now been settled for the time being.

I would like to take this opportunity of pointing out that Greiser fully proved his political ability in Geneva and that he has grown increasingly able to meet the political demands placed upon him by his office.

I have heard that Minister President Göring has assured Greiser of his high appreciation of his attitude in Geneva and has promised him every support in his political activities—even against the Gauleitung should this be necessary.

¹ Not printed (9062/E636156-70).

² Radowitz forwarded Greiser's memorandum of Feb. 4 on his conversation that day with Lester under cover of a letter to Roediger of Feb. 8 (6207/E469275-77).

In these circumstances I consider it advisable for us to do all we can to support Greiser, the more so because he has gained the active support of the broad masses of the Danzig population and is also capable of making his way in the face of opposition. Perhaps you could undertake to persuade the Reich Foreign Minister³ to mention this view to the Führer if a favourable opportunity should arise, so that Greiser's position may gain increasing support.⁴

I will inform myself in detail about the Opposition's plans for the immediate future and then report.

With my best wishes to you and your family,

Yours etc.,

RADOWITZ

³ Marginal notes: (i) In Roediger's handwriting: "Submitted in the first place to Counsellor v. Kotze with reference to the penultimate paragraph of the letter . . ." [the document here printed has been damaged by fire; the remainder of this marginal note is no longer legible]. (ii) "Has been submitted to the Foreign Minister. Ko[tze], [Feb.] 7."

⁴ In a letter of Feb. 10 (9062/E636194) Roediger informed Radowitz that the document here printed had been immediately submitted to Neurath, shortly before the latter's departure for Munich, and that Greiser had seen Neurath on Feb. 7 and Göring on Feb. 8. No record of Greiser's interviews with Neurath and Göring has been found.

No. 547

7881/E570775-76

The Chargé d'Affaires in France to the Foreign Ministry

Telegram

No. 62 of February 6

PARIS, February 7, 1936.

Received February 7—10:40 a.m.

II R 157.

For Renthe-Fink personally.

The news, already reported, that the question of the demilitarized zone was the subject of thorough discussion at the international conversations in London and Paris,¹ has been confirmed to me from another quarter. As I learn from a good source, the account of the conversation on this subject between Eden and Flandin in London which has been given in the *Quai d'Orsay* says that Eden, when questioned as to what attitude the British Government would adopt in the event of a breach of the provisions governing the Rhineland zone, replied that Britain would stand by her obligations but would make her attitude dependent on that of France. Flandin is said to have replied that, before taking a decision, the French Government must know what attitude the guarantors would adopt. Finally, however, Flandin stated that, in the event of a flagrant breach, France would proceed to mobilize. Here I would add that this account comes

¹ The reference is to informal discussions on the return journey through Paris of representatives who had been attending the funeral of King George V in London. In telegram No. 59 of Feb. 2 (8217/E583964-67) Forster had reported on what appeared to have been the main topics discussed, and stated that he had learned from a reliable source that the question of the demilitarized zone had been exhaustively discussed.

from the centre of those circles at the Quai d'Orsay which are hostile to the Third Reich.

In this connection it appears to me that importance attaches to the conversation which I had today with the Belgian Ambassador² on the matter of the press attacks of which you are aware.³ In a talk which was personal and very friendly in tone, he at once and of his own accord came to speak of the question of the Rhineland zone, described the anxiety prevailing in Belgium and elsewhere about the German attitude, and repeatedly stated that it was certain that a breach of the provisions in question would not be accepted with a mere protest, as happened over the declaration of Germany's military sovereignty, but would involve the most serious consequences. His insistence on this point was all the more marked since he had already broached this subject in an earlier conversation with me.⁴ As I had done then, I again referred to the German attitude which clearly emerged from the public statements repeatedly made by the Führer. The Ambassador accepted my arguments and expressed confidence in the Führer's statements and desire for peace, but did not refrain from repeating what he had already said about the serious threat to peace which would arise were the German Government to use ratification of the Franco-Soviet Pact as an excuse to denounce, or to commit a flagrant breach of, the provisions governing the demilitarized zone. The Ambassador's remarks obviously echo what has been said in the diplomatic exchanges that have been taking place, and presumably are still continuing, between various States, especially France, Britain, Belgium and no doubt Russia and Italy too, on the question of the demilitarized zone.

In the course of our conversation, the Ambassador mentioned that "a plan by the Reichswehr for the military organization of the Rhineland zone would be less open to objection as long as it was merely a hypothetical one, but it would be dangerous if it represented an actual objective to be immediately realized". This remark seems to me to indicate that some such alleged plan by the Reichswehr figures in the exchange of views referred to above.⁵

FORSTER

² Comte de Kerchove de Denterghem, Belgian Ambassador in Paris since Nov. 7, 1935, previously Minister in Berlin.

³ The register of the Press Department shows that the Embassy in Paris reported on French press articles concerning the demilitarized zone on Jan. 15, 17, 24 and 29. Of these reports only that of Jan. 29 (M124/M004672) has been found. On Feb. 7 Forster reported on a private meeting held in Paris on Feb. 4 for the purpose of founding a society to "combat Hitlerism" (M123/M004670).

⁴ In a letter to Köpke of Jan. 21, 1936 (8456/E595649-52), Forster referred to having had various informal conversations with Kerchove.

⁵ In a letter to Forster of Feb. 11 (7965/E574934-35) Renthe-Fink wrote that the Foreign Ministry were well acquainted with Kerchove and were not accustomed to taking his Cassandra-like prophecies seriously, but that they were fully aware that the question of the remilitarization of the Rhineland was an extremely delicate one. Forster replied on Feb. 14 (7965/E574936) that Kerchove's statements nevertheless appeared to him useful as an echo of what was being discussed by others and as corroboration of information from other sources.

No. 548

8919/E622943-44

The Foreign Minister to the Legation in Lithuania

Telegram

No. 5

BERLIN, February 7, 1936—3:00 p.m.
e.o. IV Ba. 531.

With reference to our instructions, IV Ba. 379 of January 27.¹

You should act on these instructions when Foreign Minister Lozoraitis returns.

At the close of the conversation, you should, without implying that it is a subject linked in any way with the proposed economic discussions, broach the question of the release of the prisoners as follows:

We hope that, in view of the petition for a reprieve recently presented by the prisoners, the Lithuanian Government will find a speedy and satisfactory solution to this question as well, as only thus does it appear possible to pacify the Memel population and thus likewise to achieve a real *détente* in German-Lithuanian relations. You should not broach the question of the possible transfer of the prisoners to the Reich (which for the reasons of which you are aware still seems indiscussible) nor the question of the release of any Lithuanian prisoners in Germany. If the Lithuanian Foreign Minister mentions these matters of his own accord, you should listen without comment and confine yourself to saying that you will report to your Government.

You should report at once briefly by telephone on the carrying out of these instructions, so that a press communiqué may be promptly published here in accordance with Roediger's letter of January 27.² You should refrain from discussing the question of the communiqué with the Lithuanian Government.³

NEURATH⁴

¹ Not printed (9006/E631572-76); these instructions were as indicated in the first paragraph of document No. 549.

² Not printed (9007/E631622-24); see also footnote 3 below.

³ A typewritten marginal note, with handwritten amendments, reads, "NB. The draft communiqué contained in Geheimrat Roediger's letter to Herr Zechlin, which is also to be released on the radio (Königsberg) as a DNB report, reads as follows: 'Now that, on the basis of the elections in the Memel Territory, in accordance with the Statute a Memel German Directorate [amended to read: "a Memel Territory Directorate"] has been set up and is continuing its work [amended to: "and, like the Landtag, has begun and is continuing its work"]', the German Government, in recognition of the frequently expressed Lithuanian desire for a normalization of relations between Germany and all Lithuania [*Gesamtlitauen*—amended to "*Litauen*", i.e., "Lithuania"], have expressed to the Lithuanian Government through the German Minister in Kovno their readiness for discussions on the development of mutual trade.'"

⁴ This document bears the marginal note: "Submitted to the Foreign Minister. K[otze], [Feb.] 7", but has not been initialed by Neurath.

No. 549

9006/E631583-85

The Foreign Minister to the President of the Reichsbank and acting Reich and Prussian Minister of Economics

CONFIDENTIAL

BERLIN, February 7, 1936.

IV Ba. 576.

DEAR HERR SCHACHT: Following the discussion on the Memel question held here on January 21,¹ I have instructed the Minister in Kovno² that, as soon as possible after the Lithuanian Foreign Minister, Lozoraitis, returns from abroad, he is to get in touch with him about initiating German-Lithuanian government negotiations on the restoration of economic relations to normal.

Meanwhile, the chief representatives of the Party, in particular Koch, Oberpräsident and Gauleiter of East Prussia, have been informed of our intentions. There has been no mention of any fundamental objections to our immediately embarking upon economic negotiations with Lithuania. Oberpräsident Koch, however, has represented very strongly³ that the economic difficulties of the Memel Germans are so great and that the position of the Memel German Directorate is so precarious that economic relief for the Memel Territory cannot be delayed until such time as the normal exchange of goods is resumed after the economic negotiations have been brought to a successful conclusion. On the contrary, something must be done immediately to assist agriculture in the Memel Territory. Herr Koch is said to be proposing to come to Berlin as soon as he is recovered and to get in touch with you over this matter which he considers to be urgent.

At the same time, Ministerialrat von Kursell,⁴ who is in charge of the Volksdeutsch Arbeitskreis, has, on the instructions of the Führer's

¹ Recorded by Grundherr in a memorandum of even date (9006/E631569-71). Further discussions which took place within the Foreign Ministry on Jan. 23-24 were recorded by Lohmann in a memorandum dated Jan. 25 (8919/E622938-42).

² See document No. 548 with footnote 1 thereto.

³ Roediger visited Koch, who was ill in Königsberg, to explain the proposals and recorded his views in a memorandum of Jan. 31 (6606/E496493-94).

⁴ An unsigned memorandum, VI A 830 of Feb. 26 (K2312/K658603/1), which, according to a covering minute by Goeken of Feb. 27 (K2312/K658603), was submitted to the State Secretary, reads: "In order to render uniform *volksdeutsch* policies emanating from the Reich, the so-called *Volksdeutsch* Council was formed by Reich Minister Hess in 1933, under the Chairmanship of General Professor Haushofer and with Dr. Steinacher of the VDA as Secretary. The Foreign Ministry, like every other State agency, was not represented on it.

"In 1935 the *Volksdeutsch* Council was dissolved. In its place individual cases were handled through the intermediary of Professor von Kursell, Ministerialrat in the Reich and Prussian Ministry of Education, and his office set up for this purpose; State, Party and non-Party agencies are consulted as occasion arises."

No record of the actual date of the dissolution of the *Volksdeutsch* Council has been found, but for further details of its foundation and activities see vol. II of this Series, documents Nos. 31, 60, 74 and 361; vol. III of this Series, documents Nos. 16 and footnote 7 thereto, and 525 and footnote 4 thereto; and this volume, documents Nos. 285 and 347.

Deputy, let me know that the latter has recently spoken to the Führer about the situation in the Memel Territory and that the Führer stated that he wished assistance to be given to the Memel Territory.

Since you stated, at the meeting on January 21, that in case of need you would be prepared in principle to supply up to 500,000 RM in foreign exchange for the purchase of agricultural products from the Memel Territory, I myself, in view of the wish communicated to me by the Führer's Deputy, would welcome it for reasons of policy towards the national community if, without waiting for the still remote outcome of our economic talks with Lithuania, we could shortly alleviate at least to some extent the great distress in the Memel Territory by purchasing agricultural products [from there]. Oberpräsident Koch has informed us that he thinks he can tell us how the distress in the Memel Territory could be quickly relieved. This need not hamper the Government's negotiations with Lithuania; rather, our tactical position in the negotiations *vis-à-vis* the Lithuanians might be improved by an alleviation of the economic situation in the Memel Territory. I should be grateful if, perhaps after consulting Oberpräsident Koch, you would introduce any measures which may appear necessary.

With the German greeting and Heil Hitler!

VON NEURATH

No. 550

7849/E569572

Memorandum by a Deputy Director of Department II

BERLIN, February 8, 1936.

II Ung. 98.

Shortly before his departure for Budapest the Hungarian Minister¹ called on me to communicate, on his Government's instructions, a statement that Hungary had adopted the line that she would not take part in any negotiations on Central European problems unless firstly Germany, and secondly Italy, were also taking part in them. On this principle, he said, the Hungarian Foreign Minister had remained aloof from all discussions on Central European questions during his stay in Paris.²

The Minister also said that, following upon his recent conversation with the Reich Foreign Minister,³ he would discuss in Budapest the question of a *détente* in Yugoslav-Hungarian relations. He seemed to recollect, he said, that the Hungarian Government had once enumerated the points upon which, as far as Hungary was concerned, a *détente* depended.

RENTHE-FINK

¹ Major General Döme Sztójay.

² i.e., on returning from London; see also document No. 544.

³ No record of this conversation has been found.

147/78397

No. 551

Memorandum by the State Secretary

BERLIN, February 10, 1936.

State Secretary Posse rang me up at 5:30 p.m. this afternoon about the Foreign Minister's letter of February 7¹ to Reich Minister Schacht concerning the Corridor payments. Herr Schacht, who is at present in Basle, had sent him [Posse] this letter from there with a minute stating that he was prepared to receive Ambassador Lipksi and discuss the matter with him.

I told Herr Posse that we were fully in agreement with this. But since the Poles had rejected our latest proposals (including the bonds for the Italian loan to Poland) such a conversation would serve no purpose if Herr Schacht was not able to make fresh offers and especially if he persisted in his refusal to expend any foreign exchange. State Secretary Posse took note of this. I further pointed out to Herr Posse the danger, already set forth in the Foreign Minister's letter, that the situation might give rise to political tension and that we might in consequence be forced, by a political decision taken at the highest level, to be more accommodating than was perhaps necessary today. I did not wish to state any views on the question of whether a partial payment in foreign exchange would be possible or desirable. In my discussions with Lipski² I had rejected the idea that any part of future Corridor debts might be paid in foreign exchange. But in any case we must reject Poland's attempt at blackmail, which is what her refusal to negotiate until certain payments in foreign exchange have been made amounts to.³

BÜLOW

¹ See document No. 537, footnote 4.

² See document No. 528.

³ A minute to the Foreign Minister of Feb. 12 by Bülow (147/78398) reads: "At Schacht's wish we have talked to Lipski: he is prepared to discuss the Corridor payments with Schacht on Friday or Saturday [i.e., Feb. 14 or 15]. According to Posse, Schacht has new proposals, but Posse does not yet know what they are." See also document No. 567.

No. 552

6680/H096362-66

The Ambassador in China to the Foreign Ministry

Na. 122

NANKING, February 11, 1936.

Received March 2.

IV Chi. 358.

Subject: Conversation with the Minister President, Marshal Chiang Kai-shek.

I venture to submit the enclosed memorandum on a conversation with the Minister President, Marshal Chiang Kai-shek.

I have despatched a separate telegram¹ about the Klein affair, which has for some time now been discussed with concern among the German advisers as well.

The Embassy in Tokyo is receiving, by safe hand, a copy of the first two paragraphs.²

TRAUTMANN

[Enclosure]

CONVERSATION BETWEEN AMBASSADOR O.P. TRAUTMANN AND THE
MINISTER PRESIDENT, MARSHAL CHIANG KAI-SHEK

The Marshal, who looked better than I had ever seen him before, began by asking me whether I had any news for him. I then explained to him that all the newspaper reports about the conclusion of a German-Japanese understanding were incorrect.³ They had a common source (Tass and the French press). In spite of repeated *démentis*, they were constantly being served up afresh. The Marshal replied that it was remarkable that even the exact date of the conclusion of the Convention had been mentioned in the press. I said that this date was a complete fabrication. It was not our intention to pull the chestnuts out of the fire on behalf of Japan and against Soviet Russia. We were combating Communism, but we had no intention of having a fight with Russia.

The Marshal then came to speak of our negotiations with Manchukuo. After I had explained the circumstances to him, he asked whether it was a Government Department that was concluding the arrangement with Manchukuo and whether we intended to recognize Manchukuo. I said that our attitude to Manchukuo had not changed and I also referred to the analogy with the Telegraph Convention. He finally said that, as long as the arrangement had no significance in international law, there was no objection to it.

A propos of nothing, the Marshal then asked whether I knew Klein. I said I did not. Thereupon he said that he had assumed that Klein

¹ This was No. 18 of Feb. 8 (6680/H096342) which reads: "Chiang Kai-shek spoke to me today about Klein. He had heard that Klein had sold to Canton a poison gas installation and a gun factory. Klein denied this. Chiang Kai-shek does not appear to believe these assurances and asked me to telegraph about it." On being sent a copy of this telegram (6680/H096343) the War Ministry replied on Feb. 14 (6680/H096350) that the following telegram should be sent to Trautmann: "All the projects which Klein has promised to Canton have been reported to Marshal Chiang Kai-shek. The arsenal is under construction, poison gas installation is planned, but not yet delivered. Delivery will only take place subject to Marshal Chiang Kai-shek's agreement." This was sent to Nanking as telegram No. 13 of Feb. 19 (6680/H096351).

² Marginal notes: (i) "[For the] F[oreign] M[inister] (p. 2 [i.e., paragraph 3] of the encl[osure].) B[ülow], Mar. 3." (ii) [Initialled] "v. N[eurath], Mar. 3." (iii) "The F[oreign] M[inister] asks that a copy be sent to the R[eich] W[ar] M[inistry]. Kof[tze], [Mar.] 3."

³ See also document No. 504, footnote 1.

was working hand in glove with me. He himself had only seen him for a few minutes, but Dr. Kung had negotiated with Klein. He would like to know exactly what position Klein held in Germany. I replied that I did not know exactly; at an earlier stage I had received a telegram from my Government⁴ asking me to assist Klein, but I had had no opportunity of doing so. I had no information regarding his business negotiations. I did know, however, that Klein enjoyed the confidence of the German War Ministry. I reminded the Marshal of the telegram of thanks⁵ which the Reich War Minister had sent him and the Minister of Finance on the occasion of Klein's receiving 2,000 tons of wolfram for Germany from the Chinese authorities. The Marshal could not remember exactly, but appeared to assume that the wolfram had really been delivered. Apart from this, he believed that Klein had taken with him to Germany contracts or plans about the exchange of wolfram and antimony. The conversation then turned to Klein's Canton activities, which the Marshal had obviously had in mind from the beginning. The Marshal said that he had telegraphed to Klein and asked him whether he had supplied the Cantonese with a poison gas plant and machinery for manufacturing guns. This Klein had denied. I replied that I had no authentic information on the matter, but that, for my part too, I would willingly inform my Government. The Marshal's mistrust has clearly not been dispelled by Klein's statements.

During tea, I turned the conversation to Japanese-Chinese relations, but the Marshal replied only hesitatingly to the questions I put. From what he said I had the impression that he is not very confident about the developments in the North.

He then enquired in detail about Germany's attitude to Britain and Italy. I explained to him the meaning of the Naval Agreement with Britain. With regard to Italy, I stressed the sympathy felt in Germany for Italy's domestic régime, and pointed out the difficulties which Italy's treatment of the Austrian question had caused at one time. The tension which had at that time prevailed between us was, however, over. Italy was now occupied with her war in Abyssinia, and we ourselves were completely taken up with the problems of our internal development. Finally, the Marshal wanted to know exactly whether a *rapprochement* between Germany and Italy was now a probability or not. I replied that I was not receiving current information on European affairs from the Foreign Ministry and therefore could not answer his question.

I had the impression that some ulterior motive lay behind his questions; it may be that he fears that friction might result from the

⁴ See document No. 101.

⁵ The German Mission in Nanking were instructed in Foreign Ministry telegram No. 32 of Nov. 13, 1935 (6680/H096334) to send telegrams of thanks to Marshal Chiang Kai-shek and the Minister of Finance.

simultaneous work of German and Italian military advisers in China. However, it may only be that the Chinese Ambassador in Rome, who is staying here at present, has told him something about differences between Germany and Italy and that his interest is to be attributed to this.

The Marshal asked me, when I went home on leave, to emphasize very strongly to the competent authorities the interest there is in German-Chinese cooperation. He was pleased when I told him that we were cooperating industrially with the Chinese Government in rebuilding the Chinese railways.

TRAUTMANN

No. 553

5737/H029447-49

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 11 of February 12

ROME, February 12, 1936—8:00 p.m.

Received February 12—11:00 p.m.

II It. 160.

After we had had a conversation about Saar questions today, Baron Aloisi asked me what attitude we would adopt, in view of Locarno, towards the ratification of the Russo-French Pact. I replied that our attitude remained the same, and gave an outline of it. Aloisi asked whether we had by now come to any decision in this respect, to which I replied in the negative, and, in my turn, asked whether Italy had anything in mind on the lines of a denunciation of the Locarno Pact. Aloisi replied that this question was not for the time being acute, but that it might well become so if sanctions were made more stringent. I promised to inform his Head of Government in the event of our taking any decisions.

Aloisi then declared that Titulescu's attempt to replace Italy by Soviet Russia in the system of the Danubian Pact had not only miscarried but had done Italy a service. His Head of Government had agreed with him, Aloisi, that Italy must make it quite plain that she was in no way disinteresting herself in the Danubian Pact, that, on the contrary, she would certainly protect her interests; but, on the other hand, the situation, compared with that at the time of the initial Danubian Pact negotiations, had changed completely, there having been a *détente* in Italy's relations with Germany, whilst her relations with the sanctions countries had deteriorated; one could not, therefore, simply carry on from where one had left off. I invited Aloisi's attention to the continually recurring comments in the French press, where the supposed Italian attitude was reported as being that it was

intended to remain on good terms with Germany for the time being, but to return to Stresa as soon as the Abyssinian conflict came to an end. Nothing was more calculated to arouse German mistrust, for, where we were concerned, the decisive question was whether Italy intended to try to resuscitate Stresa with its dangerous tangle of pacts or to strive towards European cooperation, not perhaps in the form, but in the spirit of the Four Power Pact.¹ Aloisi strongly condemned both the incomprehensible way in which Britain and France had allowed certain petty Eastern would-be great men to have their way, and Britain's equally dubious cooperation with the Soviet Russians. He was convinced that, for Italy, Stresa was dead and done with. He believed that he was correct in interpreting Mussolini's thoughts to mean that, once the Abyssinian conflict had been settled, Mussolini would strive for a European cooperation which should include Germany and be patterned on the principle of the Four Power Pact; the force of events would, quite naturally, bring Germany and Italy together, particularly as the Austrian question had already ceased to be acute.

Aloisi considered that there was a slight easing of tension in the Abyssinian problem generally. The acute danger of conflict had receded. The tendency in Britain towards finding an amicable solution in the near future was gaining strength. According to Italian reports from London, the new King too was inclined towards an understanding with Italy (and with Germany). In Geneva too, Aloisi said, he had gained the impression that Britain did not wish to press matters too far. Oil sanctions would almost certainly not be resolved upon, but would continue to be held in suspension, like the sword of Damocles. Thus the position still continued to be extremely difficult and dangerous, but prospects of an acceptable solution in the foreseeable future were nevertheless not lacking. The chaos in Abyssinia was increasing and there was hope of further military successes, this time in the north. When I asked whether the French statements regarding spheres of interest (see my report No. 668 of February 6)² would not cause fresh difficulties, Aloisi confirmed that (group mutilated [? Harrar]) too had been included in this French declaration. He said that this French statement of views was undoubtedly irksome; but military operations could not be influenced by it.

HASSELL

¹ The Agreement of Understanding and Cooperation initialled in Rome on June 7, 1933, and signed on July 15, 1933, by France, Germany, Great Britain and Italy; for the text see vol. 1 of this Series, document No. 292; see also *ibid.*, document No. 368.

² Not printed (8015/E576424-28); in this despatch Hassell reported that France had given Italy to understand that she regarded the area of the Djibuti Railway, and therefore presumably also Harrar, as a French zone of interest; this information had been more or less confirmed both by the Italian Foreign Ministry and the French Ambassador in Rome, although Hassell did not know in what form it had been done or precisely what had been said.

No. 554

8919/E622955-57

*The State Secretary to the President of the Reichsbank and acting Reich
and Prussian Minister of Economics*

Express Letter

CONFIDENTIAL

BERLIN, February 12, 1936.

Sent February 13.

zu IV Ba. 651.¹652.²

Drafting Officer: Counsellor v. Grundherr.

The German Minister in Kovno, Zechlin, yesterday informed the Lithuanian Foreign Minister, Lozoraitis, as instructed,³ that now that a Memelland Directorate had been constituted in the Memel Territory according to the Statute, and now that the Memel Landtag had begun to function, the German Government wished to comply with the desire, repeatedly expressed by the Lithuanians, for a return to normal economic relations between Germany and Lithuania, and were accordingly prepared to enter into negotiations in Berlin. Foreign Minister Lozoraitis thanked the Minister for this information and declared that he, for his part, agreed in principle to the German proposal. He was prepared to send an economic delegation to Berlin. The actual date of the Berlin negotiations was left to be fixed later.

Furthermore, the Acting Consul General in Memel quite recently told the President of the Memel Directorate, Herr Baldszus, in confidence of our *démarche* with the Lithuanian Government. Herr Baldszus expressed his satisfaction at the German Government's efforts to restore normal German-Lithuanian economic relations, which he hoped would result in a further *détente* in the situation in the Memel Territory. President of the Directorate Baldszus took this opportunity to revert to his previous, urgently stated request that immediate assistance be given to Memelland agriculture by means of purchases of agricultural products by Germany. The Memel Territory's distress had become so acute that matters definitely could not wait until normal trade was resumed following the conclusion of the proposed negotiations. In particular Herr Baldszus considered it essential to effect a special assistance transaction before

¹ Not printed (8919/E622952-53); this was Memel telegram No. 11 of Feb. 11, in which Doertenbach reported that, as instructed, he had informed the President of the Memel Directorate confidentially of the impending German *démarche* with the Lithuanian Government.

² Not printed (8919/E622954); this was Kovno telegram No. 7 of Feb. 11, in which Zechlin reported carrying out his instructions (see document No. 548 and footnote 1 thereto) with the Lithuanian Government.

³ Document No. 549.

the Memel Kreistag elections, which take place on February 24, failing which, in view of the very depressed mood of the population, he foresaw very unfavourable election results. It was characteristic of the reaction which had set in since the Landtag elections that, as had become known in the last day or two, in the districts of Heydekrug and Popegen it had not been possible to combine the lists of German candidates. In view of the extent of the proposed clearing transaction, Herr Baldszus recommended that, in order that it might be effected speedily and have the greatest possible influence on the mood of the Memel population, it should be limited to the purchase of pigs and cattle for slaughter with exclusive consideration for the very small and small farmers.

The German Consulate General in Memel states that it is essential to improve the atmosphere in this way before the Kreistag elections, and he has recently emphatically advocated meeting the President of the Directorate's wishes.

In these circumstances the Foreign Ministry again, with reference to the Foreign Minister's letter, IV Ba. 576 of February 7,³ venture to draw attention to the urgency of making the necessary funds available.⁴

VON BÜLOW

⁴ In telegram No. 8 of Feb. 21 (8919/E632002) Doertenbach was instructed as follows: "In conversation with Oberpräsident Koch, President Schacht has stated that he is prepared to make available certain sums of foreign exchange to pay for Memel agricultural exports to Germany on the understanding that the Oberpräsident makes him proposals for ensuring that such sums reach the right hands in the Memel Territory.

"You should inform interested circles there, orally and confidentially in a suitable way, of our readiness to help. In no circumstances must this information appear in the press." This telegram bears the following marginal note: "[Herr] Min[isterial]dirigent Spitta (Reich Ministry of Economics) has authorized me to despatch this telegram after consulting his State Secretary. Gr[undherr], Feb. 21."

In a communication from the Minister of Finance dated Apr. 21 (9006/E681615-17) the Foreign Ministry was informed that the Führer and Chancellor had agreed that a sum of 1 million RM in foreign exchange should be made available for the purchase of cattle and pigs from Memel.

No. 555

2067/449204-06

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Airgram

No. 14 of February 12

LONDON, February 12, 1936.

Received February 13.

II M 642 g.

[Assistant] Under Secretary of State Craigie asked the Naval Attaché and myself to call on him today, and, by way of introduction, gave us, as being the results so far achieved at the Naval Conference, three

texts dealing with the various problems discussed.¹ Of these texts, two—namely, those dealing with the exchange of information and the definitions of the various types of ships etc.—have already been accepted by all the members of the Conference, whilst of the third, which deals with the question of qualitative limitation of ships, only that portion of the proposals has been accepted which does not relate to capital ships.² It is proposed that the agreed views set forth in these texts shall be incorporated as they stand in the final treaty. With regard to capital ships,² Craigie said that, now as previously, the Americans were obstinately adhering to a tonnage of 35,000 tons, although he himself was not entirely convinced by their arguments. The Americans' most convincing argument was, Craigie said, their assertion that, if a lower tonnage and lighter armament were agreed upon, a number of navies would acquire considerable superiority by possessing modernized and more powerful ships. The French were continuing to press very hard for a reduction in the maximum tonnage for capital ships.² Nevertheless, he, Craigie, assumed that agreement would be reached on this question too, although in a form which would allow for review after a short period.

After these introductory remarks, Craigie said he had asked us to come and see him in order to communicate to us the above-mentioned texts for forwarding to the Reich Government. He expressly emphasized that he was not doing this in his official capacity, but that this was a private action, although, of course, he was acting with the knowledge and approval of his superiors, and that the British Government were acting on their own responsibility, for the time being without the knowledge of the other Powers taking part in the Conference, having been prompted to do so by the relations created by the German-British Agreement. He earnestly requested us, therefore, to ensure that the matter was treated as strictly confidential. The next step, as he envisaged it, was for the Reich Government to subject the texts communicated to them to detailed study, and that then, if there were any queries, these should be put to the competent department here through the German Mission in London. Any information desired

¹ The texts which were forwarded under despatch No. A 642 of Feb. 12 (7559/E541923) were the following:

(i) Supplementary Report by the Technical Sub-Committee on Advance Notification and Exchange of Information (7559/E541925-26).

(ii) Draft text of a treaty prepared by the Technical Sub-Committee on Advance Notification and Exchange of Information (7559/E541927-31) with Annex II, Sub-Committee on Definitions and Age Limits of Combatant Vessels: Draft Text of Provisions in respect of Definitions for eventual Incorporation in a Treaty (7559/E541934-37).

(iii) Lowest Qualitative Limits on which there appears to be prospect of obtaining General Agreement having regard to the views expressed in the course of the Bilateral Conversations which preceded the present Conference (7559/E541932-33).

For the texts of (i) and (ii) see also *Documents of the London Naval Conference, 1935* (London, H.M. Stationery Office, 1936), pp. 170, 159-161 and 178-180.

² The words "capital ships" are in English in the original.

would be made available and the texts still outstanding would be furnished as soon as they were completed. The British Government were now chiefly concerned to learn as soon as possible Germany's views in principle as to the manner in which the Reich Government, for their part, would wish to accede to the proposed treaty in its final form. Craigie, for his part, had put forward the view that, once the discussion between those taking part in the Conference here had ended, the most expedient method would be for the protocol to be drawn up and signed by the participants. This protocol should then be submitted for their signature to all the other maritime Powers eligible to sign it—which, of course, meant in effect all maritime Powers. At the same time a final date should be fixed in the comparatively near future with effect from which the treaty would in any case be regarded as having been accepted by the four Powers taking part in the Conference. Certain other delegations—Craigie allowed it to emerge that it was the Americans and the French—had raised objections; they wished the four participating Powers to accept the treaty as from the date when the present Conference broke up and that it should only be submitted to the other Powers for signature afterwards. In support of this argument it was pointed out that, once the participants in the Conference had separated, new and unexpected difficulties might crop up. In particular the Americans had pointed out that ratification of the treaty by Congress would have to be speeded up, because, in view of the forthcoming presidential elections this year, Congress would probably be adjourned in May.

Craigie said he wished to ask us to ascertain whether the Reich Government would raise any objections to the second proposal. The Conference would probably finish at the end of the month, so that there was still time to submit queries, and, if necessary, any German desires with regard to amendments of the texts as furnished might still be taken into consideration by the Conference. He hoped, therefore, that the proposed procedure would appear acceptable to the Reich Government, particularly as the draft treaty contained, in principle, nothing new compared with the one already discussed with the German Delegation last summer.

I then asked whether the British Government intended to send the Russian Government the texts communicated to us today, to which Craigie replied in the negative.

In reply to further questions, Craigie gave the following additional details about the proposed treaty: It is to contain a far-reaching safeguarding clause, the text of which has not yet been finally agreed; Craigie, however, read out to us a draft which goes considerably beyond what is contained in the Washington Treaty. Furthermore, apart from the general treaty, there is to be concluded a special new treaty concerning submarine warfare, based on Part IV of the London

Treaty,³ and to which Japan will presumably also be a party.⁴ He hoped that Germany would be the first country to declare her adherence.

Regarding the question of fortifications in the Pacific, Craigie said that, owing to the absence of Japan, this question would not be included in the treaty, but would have to be settled through diplomatic channels.

The documents communicated to us follow by special courier.¹

BISMARCK

³ The International Treaty for the Limitation and Reduction of Naval Armament, signed in London on Apr. 22, 1930; for the text see League of Nations: *Treaty Series*, vol. CXII, pp. 65-91.

⁴ Japan had withdrawn from the Conference on Jan. 15, 1936.

No. 556

6144/E454520-33

The Minister in Austria to the Führer and Chancellor.

SECRET

A 891

VIENNA, February 12, 1936.

Received February 14.

II Oe. 473.

Subject: Conversation with Prince Starhemberg.

I have already reported on my detailed conversation with Prince Starhemberg in the telegram I sent today.¹ He had invited me to come and see him in order to talk about the outcome of his London visit and about the general situation. The Vice Chancellor admitted with remarkable frankness that, as a result of the loud protests made by the Little Entente, and especially Yugoslavia, the restoration question had had to be postponed for the foreseeable future. He himself had never regarded it as acute. The reasons for his recent championing of the House of Habsburg lay solely in the fact that the foreign—and in particular the British—press had for a long time presented a completely false picture of his efforts.

He had discussed the European situation in detail with the leading statesmen in both London and Paris. While M. Flandin had assured him that a compromise acceptable to Italy would soon be reached, he had found two diametrically opposed trends in Britain. One of these was also in favour of a compromise, while the other was demanding Mussolini's head. I gathered from the Vice Chancellor's lengthy statements on this subject that he had gained an idea in London of the very great danger in which his friend and protector Mussolini stands. Compared with these trends, the French inten-

¹ In telegram No. [14] of Feb. 12, 1936 (6114/E454525).

tions of assisting Mussolini were really only of a very platonic nature. In his discussions in England, too, he had often heard the opinion expressed that the Italian manœuvre must be seen through to its end, so that the machinery of the League of Nations might then be set in motion against Germany. In neither capital was much said, in his presence, about Germany, but, when the subject was brought up, stress was always laid on the great concern which was felt about the ultimate aim of German rearmament. When I asked whether German-Austrian relations had been discussed in this connection, the Prince maintained that, in reply to questions on this subject, he had only said that relations were unfortunately bad and that, as a result of Italy's weakened position, there was concern lest Germany engage in renewed activity in the Austrian question; but he wished to stress that he had taken no part whatsoever in the conversations of the Little Entente, which had been conducted with a marked bias against Germany.

The conversation then turned to German-Austrian relations and to the possibility of settlement. In this connection Prince Starhemberg spoke in the following terms: In view of the hardening of the position on both sides, it appeared to him difficult to begin by settling certain questions of detail. One ought to try to approach a German-Austrian settlement from a broader view-point. He thought that those States which had authoritarian régimes were all equally endangered by the onslaught of the Jewish-Freemason front against Fascism. It therefore appeared to him expedient to imbue the discussions about the German-Austrian settlement with the urgency arising from the need to establish a united front between Italy, Austria, Germany and Hungary. Discussions of this kind would not at first touch upon any questions of prestige, there would be a mutual *rapprochement* and, in the course of working out agreements, it would in the end probably be possible to find a formula whereby the States guaranteed each other's integrity, so that the Austrian desire to safeguard her independence would thus be satisfied.

I entirely agreed with the Prince in his conception of a common threat from the Jewish-Freemason-Bolshevist front, only expressing doubts as to whether, in view of his French ties, Mussolini would be willing to hold such discussions. The Vice Chancellor thought that one need not publicly advertise the matter; in his view Mussolini would agree. When I asked whether Mussolini had recently said anything about German-Austrian relations, Starhemberg replied that he had informed Mussolini of the substance of our conversation of January 10, 1936,² but had not as yet received any comments on it. He therefore intended to pay a personal visit to Mussolini in the near future, both in order to discuss his London impressions with him and

² See document No. 488.

to find a platform for an Italo-Austro-German settlement. This journey could not take place before the middle of March, as unfortunately Baron Berger was going to Italy for a short holiday first, when he intended to meet Suvich (presumably on the subject of Yugoslavia).

I told the Prince, as I had already told him in our first conversation, that, as far as the Austro-German settlement was concerned, we had absolutely no secrets from Italy. It was known in Rome that for the past eighteen months I had taken every possible initiative here with a view to restoring relations to normal, but so far without success. We had therefore given Mussolini to understand that we were looking forward with interest to his using his influence with the Vienna Cabinet.

When, during the course of the conversation, I expressed astonishment to the Prince about the recent attempts of the Czech Minister President to conclude an economic Danubian treaty excluding Germany, he said that Austria had had no part in these endeavours. I told him that it was in any case very desirable that, at the impending Vienna discussion with M. Hodža,³ Austria should dissociate herself from these methods, in order to show her sincere desire not to be included in an economic anti-German front too. The Prince promised to work in this direction.

I gained the impression from our conversation that the Prince is in fact somewhat concerned about the encirclement of Germany recently initiated by Paris. He believes that an understanding, reached in good time, between Rome, Vienna and Berlin could be thrown into the balance at the decisive and critical moment in the Italo-British conflict. It remains to be seen what course his discussions on this subject with Mussolini will take.

PAPEN

³ Conversations between M. Hodža and Austrian statesmen took place in Vienna on Mar. 9-10, 1936.

No. 557

3767/E040741-42

The Military Attaché in Bulgaria to the War Ministry

URGENT

10 Bulg. geh.

SOFIA, February 12, 1936.

When I paid my call on the newly appointed Minister for War, General Loukov, he asked me to pass on the following with regard to the question of the supply of armaments.

The Bulgarian Ministry of War had decided to buy *German* war material to a larger extent. The preliminary negotiations had made

such good progress that matters could shortly be brought to a conclusion.¹

He also told me that most strenuous endeavours had been made by other countries, particularly by France, to come in on the Bulgarian rearmament business, and that some extremely favourable prices had been offered.

He himself, however, adhered to the overall German offer in respect of prices which had been confirmed both to General Boichev when he had visited the Ministry of War in Berlin² (N.B., by whom I could not ascertain), and by the letter³ which Minister Göring had addressed to His Majesty King Boris and which, he said, contained the following points:

(a) Bulgaria to pay the same price for all war material as the Reich War Ministry pays to German industry.

(b) Bulgaria to be granted the normal export rebate of 20–30 per cent on the price stated under (a) above as well.

In order that he should be in a position to prevail with the Council of Ministers and with other forces in the country, the Minister for War said he must request and, indeed, must insist (*"insister"*) that before the conclusion of the negotiations the *Reich War Ministry* should draw up and send to the Bulgarian War Ministry as corroboration two documents, stating:

1) That the same new and modern war material will be delivered as is in use by the German Forces.

2) Fixing of prices.

(a) That the prices shall correspond to those paid by the German War Ministry to German industry.

(b) That the prices mentioned under (a) will be subject to the normal export rebate of 20–30 per cent.

The War Minister, Loukov, makes a very good and soldierly impression. He enjoys the absolute confidence of the King. During our conversation I had the feeling that he would gladly cooperate with Germany, but that Bulgaria's financial weakness and pressure from all sides compel him to obtain *guarantees* in order to get his way.

For example, there is here at the moment an important mission from French armament firms, which is trying by *all means* to get in on this transaction. Decisions in the matter may come any day.

Therefore I regard the matter as *urgent*.

As things are, General Loukov's *demand for a guarantee*, which is admittedly not usual and which, at first, creates a somewhat peculiar

¹ In telegram No. 10 of Mar. 13, 1936 (5562/E397116), Rümelin was informed that it was expected that a basic agreement would be signed within a fortnight. Its text has not been found, but Sofia telegram No. 44 of June 10, 1936 (9414/E666085) mentions the conclusion of arrangements for deliveries to the value of 12.5 million RM. See also vol. v of Series D, chapter II, documents Nos. 181, 250 *et passim*.

² No record of this visit has been found.

³ Not found.

impression, becomes more readily understandable. In addition the Bulgarians are notoriously suspicious. If the contents of the enclosed communication,⁴ which was addressed to the Legation and of which an abstract was forwarded to the Foreign Ministry on February 1 [? 10],⁵ are well founded, then the demand for a clear fixing of prices on a uniform and favourable basis, commensurate with the large-scale issue involved, is not remarkable.

FRIDERICI

⁴ Not printed (M243/M008098-99); dated Feb. 4, this was from the Sofia agency of Auto Union and contained complaints that, in view of the serious delays in the submission of price lists by the German consortium and the excessive prices quoted, there was a danger that Germany might lose the whole transaction.

⁵ Not printed (M243/M008100-03).

No. 558

9779/E686820-21

The State Secretary to the Legation in Yugoslavia

Telegram

No. 9 of February 13

BERLIN, February 13, 1936.
[e.o.] II Oe. 450 II [sic].¹

With reference to our despatch II Oe. 391 of February 6.²

In view of the Little Entente economic conference opening in Prague on February 24 and of the increasing number of reports alleging that it is intended to try to prepare for a political settlement

¹ According to the Journal, the document here printed was Ang. I. The subsequent *Angaben*, all of Feb. 13, were as follows: Ang. II: Telegram No. 6 to Sofia (9779/E686818-19); this contained an identical text, except for the variant noted in footnote 3 below, for the first two paragraphs; the third paragraph read as follows: "We are glad that hitherto there has been complete identity of views between the Bulgarian and German Governments in respect of these matters. Should there in fact later come about, with our cooperation, closer economic integration of the Danubian States, built up on [a system of] preferences, we should naturally continue in future, as we have done hitherto, to support Bulgarian participation if, and in as far as, this is in her interests." Ang. III: Document No. 559. Ang. IV: Despatch to Vienna (9779/E686817); this enclosed a copy of document No. 559 and requested similar action with the Austrian Government. Ang. V: Despatch to Bucharest (9779/E686815-16); this enclosed a copy of the document here printed, requested similar action with the Rumanian Government and continued: "... Even if the reception of such a *démarche* in Bucharest is likely to be more negative than in Belgrade, we consider it necessary once again to remind the Rumanian Government, too, precisely at the present juncture, before the meeting of the economic conference of the Little Entente, of what is our basic attitude. Perhaps reference might usefully be made to the fact that German-Rumanian economic relations, despite the many contractual difficulties emanating from the Rumanian side last year, have developed extraordinarily favourably and wholly in the spirit of the plan agreed upon with M. Manolescu-Strunga at the end of 1934 [see vol. III of this Series, documents Nos. 285, with footnotes thereto, and 302]. The rise in Rumanian exports to Germany from 50 million in 1933 to 60 million in 1934 and to almost 80 million in 1935 shows that the importance of Germany as the greatest purchaser of Rumanian products continues to increase." Ang. VI: Document No. 560. Ang. VII: A circular (8036/E578059) transmitting for confidential information copies of documents Nos. 553, 559 and 560 to the Missions in London, Rome, Paris, Warsaw, Berne, Athens and the Consulate at Geneva.

² Document No. 543.

between Austria, Hungary, Italy and also Bulgaria on the one hand and the Little Entente on the other, by linking these countries more closely together economically, you should speak as follows to Stojadinović:³

The German Government welcome, as they have always done, all measures designed to improve the economic position of the States in the Danubian Region and to lead to a political *détente*. It is obvious, however, that we shall also have to pay attention to safeguarding our own interests. We should, therefore, as hitherto, not be prepared to accept any solution which might be reached unless Germany was brought into the deliberations from the outset.

You should make use of the material enclosed with our despatch under reference and point out to Stojadinović that Germany's participation is essential also in the interests of the Danubian States themselves. You should leave no doubt that, if Germany is left out, she will draw her own conclusions regarding the shaping of economic relations with the States concerned. Nor will we in any circumstances accept any preferences that may be agreed upon without us.

You should report by telegram.⁴

BÜLOW

³ In telegram No. 6 to Sofia (see footnote 1 above) this passage read: "... you should again set forth the German attitude to the Government to which you are accredited, as follows: ..."

⁴ See also document No. 593 and footnote 2 thereto.

No. 559

9779/E686810-11

The State Secretary to the Legation in Czechoslovakia

BERLIN, February 13, 1936.

[zu] II Oe. 450¹ III.

With reference to our despatch II Oe. 391 of February 6.²

In view of the forthcoming Little Entente economic conference in Prague and of the increasing number of reports alleging that it is intended to try and prepare for a political settlement between Austria, Hungary, Italy and also Bulgaria on the one hand and the Little Entente on the other, by linking these countries more closely together economically, you should draw the attention of the Government to which you are accredited to the following:

The German Government welcome, as they have always done, all measures designed to improve the economic position of the States in the Danubian Region and to lead to a political *détente*. It is obvious,

¹ For details of Ang. I-II and IV-VII see document No. 558 and footnote 1 thereto.

² Document No. 543.

however, that we shall also have to pay attention to safeguarding our legitimate economic interests. We are not, therefore, in a position to agree to a solution which would impair these economic interests. In particular, we could not agree to any preferential arrangements, made without our participation, which would harm German industry. In such an event we would protest on the grounds of the most-favoured-nation clauses in our economic treaties with the separate States and if necessary we would revise accordingly our own economic policy in relation to these States.

I note for your confidential information that the Heads of Missions in Budapest,³ Belgrade,⁴ Bucharest⁵ and Sofia⁵ are receiving simultaneous instructions, with appropriate modifications, to speak to the Governments there. Although it is clear to us that the *démarche* in Prague can have no practical effects, we nevertheless consider that it should be made so that we cannot be told later that we had not officially made our attitude known to the Governments involved, particularly to the Czechoslovak Government, and that well in advance of the Little Entente's Economic Conference.

BÜLOW

³ See document No. 560.

⁴ See document No. 558.

⁵ See document No. 558, footnote 1.

No. 560

9779/E686812-14

The State Secretary to the Legation in Hungary

BERLIN, February 13, 1936.

[zu] II Oe. 450¹ VI.

Subject: Economic-political arrangements in the Danubian Region.

Enclosed for information are copies of a telegram to the Legation in Belgrade² and of a despatch of even date to the Legation in Prague.³ As is clear from the despatch, the Heads of Missions in Vienna, Bucharest and Sofia have at the same time been instructed to make similar *démarches*, with appropriate modifications.

At the present time, when the Governments in Prague and Vienna are undoubtedly working against us, when the Rumanian Government under Titulescu's influence is following more than ever in the wake of France and Russia, and when Yugoslavia is clearly exposed to strong French pressure aimed at binding her more firmly to the Little Entente, the attitude of the Hungarian Government is naturally

¹ For details of Ang. I-V and VII see document No. 558 and footnote 1 thereto.

² Document No. 558.

³ Document No. 559.

of particular importance from the German standpoint. This is the more so as the second partner on whose support we can rely, namely Bulgaria, lies so much on the periphery of the planned economic integration [*Zusammenschluss*] of the Danubian States that, on this ground alone, her voice is likely to carry little weight.

You should therefore take the earliest opportunity to have a friendly and thorough discussion of the German attitude to these problems with M. Gömbös and perhaps once again with M. de Kánya and M. de Winckler as well. It should be emphasized, in the sense of the despatch likewise sent to Belgrade, that we continue as hitherto to welcome all measures serving to assist in the economic rehabilitation and in the reduction of political tension in the Danubian Region. We are glad that the Hungarian Government share the German Government's view that such an economic rehabilitation is impossible without the participation of Germany in view of the closely interlocking economic ties between the Reich and the Danubian States. We expect the Hungarian Government to continue to maintain this attitude in accord with ourselves. We are convinced that this is also in the Hungarian interests in view of the increasing importance of the German market for Hungary. More important still for Hungary is the fact that a system, built in the first instance on bilateral treaties with preference agreements, as Germany envisages, involves no political sacrifice by Hungary as, in contrast, do the plans projected by others.

It is obvious that Germany, particularly in view of her keen desire to cooperate in any reasonable economic solution, cannot tolerate the making, without her participation, of combinations which take no account of her considerable economic interests. In such an event Germany would not only protest against possible preferences in favour of third States, but would be compelled to revise accordingly her whole economic policy in relation to the participating States.

You should report by telegram⁴ on the outcome of the conversations to be held in the sense of the above-mentioned ideas and making use of the statistical material accompanying the despatch to which reference has been made.⁵

v. BÜLOW

⁴ See also document No. 593 and footnote 2 thereto.

⁵ Evidently a reference to document No. 543.

No. 561

9588/E875924-23

Senior Counsellor Renthe-Fink to Counsellor Pochhammer

BERLIN, February 13, 1936.

zu II Balk. 87 R.¹II Balk. 205 R.²

DEAR HERR POCHHAMMER: I should like to send you today only a brief reply to your report W [*sic*] 61 I.A.3 of January 1¹ dealing with German-Rumanian relations. You have therein yourself said that you would like to reserve the right to amplify or explain this report by word of mouth; if you come to Berlin in the near future, we shall have a chance to talk things over in more detail.

You are absolutely right when you say that, in the present situation, the true criterion of Rumanian policy is, for us, her policy *vis-à-vis* Soviet Russia. It would appear that for the moment—as far as we know—the recent Paris talks³ have not led to any final decision in respect of Rumanian policy towards Russia. We can, however, safely assume that the Rumanians for their part, in considering this question, also took into account the repercussions which the conclusion of a treaty could be expected to evoke in Germany. For there can remain no doubt as to how Germany would regard any Rumanian adherence, in whatever form, to the Franco-Czechoslovak-Soviet Russian mutual assistance system. On the other hand, it is clear what Germany as an economic factor means to Rumania, and what regard must be had to the German nation in the interplay of forces in international affairs; presumably, too, there must already be awareness that Germany is growing stronger and will accordingly have to be given due consideration as a power factor in the political calculations of the Powers. What, in the circumstances, we can do to make ourselves “more seen and felt” by the Rumanians is not easy to say. Tempting political promises we cannot offer them. The chief thing is, in my opinion, to make it quite clear to them that for them to lapse into aligning themselves with our opponents can only result in disadvantages and danger for themselves, whereas, if they adhere to their neutral position, they will find themselves in a relatively more secure political position. The statements made here to Brătianu were along these lines.⁴

With regard to the King, we have given due consideration to your suggestion that something might perhaps be done in respect of a

¹ Document No. 478.² Document No. 516.³ i.e., the informal conversations held by delegates returning via Paris from the funeral of King George V.⁴ See document No. 514.

meeting between the King and the Führer and Chancellor. It appeared, however, that in the short time at our disposal there was no chance of our being able easily to arrange such a meeting. The King's visit to Paris and the political discussions there, which the King could not avoid, have shown that our reserve has been amply justified. Apart from this, it will be easier for us to make contact with the King as soon as a Minister to Bucharest has again been appointed.

With regard to the Military Attaché in Bucharest, it is, from the point of view of the Reich War Ministry, more important, of course, to have the Military Attaché for Prague and Bucharest stationed in Prague than in Bucharest; and, as an increase in the number of Military Attachés cannot at the moment be considered on account of the shortage of personnel, the question must for the time being remain in abeyance. We will, however, bear it in mind.

Of the politicians, Grigore Filipescu and Gheorghe Brătianu have meanwhile been in Berlin, and you have been informed of the reception accorded to them.⁵ In point of fact, in the conversations which M. Brătianu had here, a step forward has been taken in the direction which you indicated.

Your remarks on the question of press relations, of which we here take a somewhat more sceptical view, about DNB and cultural activities, would appear to require more specific proposals on your part. But we can talk about that in more detail as soon as you arrive in Berlin. There will certainly be something that can be done. In any case I am much looking forward to an early opportunity of having a detailed talk with you.

With best wishes,

Heil Hitler!

RENTHE-FINK

⁵ See documents Nos. 431, footnote 4 and 514, footnote 3.

No. 562

5730/E415527-34

*Counsellor of Embassy Bismarck to Ministerialdirektor
Dieckhoff*

SECRET

LONDON, February 13, 1936.

A 656

III E 673.

DEAR HERR DIECKHOFF: Enclosed I send you, in the form of a report, my record of a lengthy conversation which I had with Wigram yesterday. As you will see, Wigram, owing to my being on such good terms with him, spoke very frankly to me, giving me information which, as he said himself, he had no authority to do. Therefore I had to give him a solemn promise that, in no circumstances, should any mention ever be made of this information or his name be

coupled with it and it is for this reason that I have chosen this manner of transmitting my report, which seems to me to be the safest way of ensuring that it is kept secret.

Yours, etc.,

BISMARCK

I should be grateful for a brief note that this letter has come safely into your hands.¹

[Enclosure]²

SECRET

LONDON, February 13, 1936.

Subject: Conversation with Mr. Wigram about the political situation.

I called on Mr. Wigram at the Foreign Office yesterday so as to be in touch with him again after my return from leave. Mr. Wigram asked me what I thought of the situation. I replied that I had been much struck by the evident change of tone that had occurred, during my absence, in the British press which, in common with the press of many other countries, had recently taken to staging a sort of all-out campaign against Germany on every possible subject. When Wigram asked for details, I drew his attention to the tendentious anti-German reporting of the whole Austrian question in connection with the Paris talks,³ to the constant agitation against us over the rearmament question, and to the more or less outspoken approval of the Franco-Russian Pact expressed in various leaders during the last few days. I said I was particularly sorry to see that *The Times*, as its publication of the familiar Mowrer articles⁴ indicated, had apparently now openly joined the ranks of those newspapers which were trying to stir up anti-German feeling. The natural reaction in Germany—as could indeed clearly be seen from the German press—was, for one thing, to regard the Anglo-Russian *rapprochement*, which was ascribed to tension in the Far East, as regrettable and grave, whilst the object of the attacks on German armaments was held to be to make the proposed increases in British armaments more palatable to the British taxpayer.

Wigram, who seemed impressed by my remarks, said that he, too, had derived the same impressions from the attitude of the German press; indeed some of the German press were already speaking of Britain's taking part in an encirclement of Germany. He could most

¹ This postscript has been added by hand.

² Marginal note at the head of the enclosure: "Received Feb. 15, in the morning. Prince Bismarck has just telephoned that, at Eden's desire, he will be received at 11:30 a.m. by Lord Cranborne, who apparently wishes to make statements similar to Wigram's to him. This remains to be seen for the moment. Prince Bismarck will telephone about his conversation with Cranborne. D[ieckhoff], Feb. 15."

³ i.e., the informal conversations held by delegates returning via Paris from the funeral of King George V.

⁴ On Feb. 7 and 8 *The Times* quoted at length and commented on two articles on Dutch rearmament by E. E. A. Mowrer which appeared in the *Chicago Daily News* on Feb. 6 and 7, 1936, respectively.

definitely assure me that no such conclusions, nor indeed those which I had just drawn myself, as to the designs of British policy in any way corresponded to the facts; indeed the Foreign Office and the Cabinet were pursuing exactly the opposite policy, that is to say, one of cooperation as far as possible with Germany. I remarked that this was not very noticeable, at any rate publicly, which he admitted.

Wigram continued that he could tell me, under seal of the strictest secrecy, that, on that very day, the Foreign Office—apparently as a result of a Cabinet meeting that morning—had had instructions to draft a paper on a “working agreement”⁵ between the three Western Powers. Such collaboration between England and Germany, with France naturally taking her full share, was what the Cabinet had in mind as the objective to be striven for in foreign policy. He was not authorized to tell me this and it was of the utmost importance that nothing of it should become prematurely known in France, as otherwise one could be sure that it would get into the French press through some indiscretion. To bring such a “working agreement”⁵ about, the chief requirement was to succeed in finding a common basis between Britain and Germany. Once that had been done, it would, as he saw the French situation, be comparatively easy to bring in the French. Bar Herriot and Mandel,⁶ no French politician was seriously opposed to an understanding with Germany, and especially not Flandin, whom he had known well for years and to whom he had just spoken too. Such a “working agreement”⁵ need not, in his view, contain any written agreements apart from an air pact, and hereupon Wigram made a somewhat obscure allusion to its being possible to render an air pact still more interesting by omitting from it things contained in the Locarno Treaty.⁷ Nor did he think Germany’s return to the League of Nations a necessary condition for bringing such a “working agreement”⁵ about. All that mattered was for Germany to state that she subscribed to the general British view in foreign policy, that existing relationships should not be changed by force, but only, should changes be required, by mutual agreement. If the German press was now full of suspicion of Britain, he must certainly himself admit that here [in London] too fears were entertained as to the course German policy might take and it was seriously believed that there was a danger of Germany, at what she considered a suitable moment, proceeding to a military occupation of the demilitarized Rhineland zone.

I would, said Wigram, be able to gather from what he had told me that the British Government were earnestly endeavouring to bring about closer cooperation between the three Western Powers—that is

⁵ In English in the original.

⁶ Georges Mandel, former *Chef de Cabinet* to Clemenceau, and Minister for Posts and Telegraphs and Alsace-Lorraine in the Sarraut Cabinet.

⁷ Marginal note in Bülow’s handwriting against this sentence: “L[league] of N[atations]?”

to say, the exact opposite to an encirclement of Germany—whilst naturally maintaining good-neighbourly relations with all other countries. He would freely admit that here in this country too there had not been lacking forces in favour of England's adopting the latter policy, but they had not succeeded. He had already told Ambassador von Hoesch (see our despatch A 498 of February 4),⁸ that nothing definite had emerged either from Eden's conversation with Litvinov or from that with Flandin. Flandin had asked Eden what was the British Government's attitude to the Franco-Russian Pact, to which Eden had replied that there were no British interests involved in this question but that it was merely one of Franco-Russian relations. This was the official British attitude to the Pact. As to my remark about the attitude adopted by the British press to the ratification of this Treaty, which was now impending,⁹ Wigram said he wished to point out that it would have been impossible for Britain to say anything against ratification or to exercise any influence on the press to this effect. This would only have resulted in the French saying, "If you don't want us to conclude the Pact with the Russians you must give us increased security yourselves." At any rate official circles here were fully aware of the unfavourable repercussions of the Franco-Russian Pact in Germany, as indeed he had already explained to my Ambassador, and he did not think he would be going too far if he said that there were many people who regretted that Pact.

Wigram said that he too had seen fears expressed in the German press that the British Government were proposing to use German rearmament to justify the increase in British armaments. He could—but only on the promise of *strictest secrecy*—assure me that the Foreign Office were in the course of reviewing the White Paper on British rearmament, and in so doing they were fully conscious of the impression created in Germany by last year's White Paper on British armaments. In no circumstances would the same mistake be repeated. The British increase in armaments, to which indeed Germany did not object as such, would be justified simply on the basis of *all* other countries' increases in armaments last summer, so Germany need entertain no fears in this respect. Attention would be drawn not only to the increase in German armaments and the introduction of universal military service in Germany, but also to the increase in French armaments and the French introduction of the two-years' military service, to the call-up of nearly two million soldiers in Italy, and to the exceptionally large increases in Russian armaments.

I thanked Wigram for his interesting information, again promised him that strictest secrecy would be preserved, and emphasized how

⁸ Document No. 538.

⁹ The French Government laid the Franco-Soviet Pact before the Chamber of Deputies on Feb. 11; the vote was not taken until Feb. 27, 1936.

necessary I thought it for the Foreign Office to try to persuade the British press not to go on campaigning against Germany as it had been doing. My words on that point seemed to impress Wigram, for he said that he took it to be the main result of our conversation.

It will naturally not be possible to form an opinion on the so-called "working agreement" of which Wigram spoke until we know more of what it will contain and what will be its purpose. Phipps is supposed to have been instructed to convey certain indications along such lines to the German Government as early as the beginning of January, but the files we have here do not show whether or how he did so. Also, in the conversation, cited above, which he had with the Ambassador on February 4, Wigram, as you are aware, did indeed already indicate that the Cabinet were at present engaged in considering in what way practical work might be done towards stabilizing conditions in Europe. If it be indeed the case, as may well be presumed from Wigram's statements, that the British Government are seriously desirous of trying to bring about closer cooperation between the three Western Powers, then it would be as well not to ignore the possible danger that, should the British plans fail to be realized, Britain, claiming that her readiness to negotiate with Germany had met with no German response, would be able to provide herself with an alibi for aligning herself with the Franco-Russian policy. A remark of Wigram's may be worth noting in this respect; he let it be seen that, should it prove in no way possible to bring Germany into such a "working agreement", then the consequences for Britain might well prove to be an alignment with the Franco-Russian policy.¹⁰

BISMARCK

¹⁰ This document has been marked by Dieckhoff "Urgent" and for submission to the State Secretary and Foreign Minister, both of whom initialled it on Feb. 15.

No. 563

5730/E415495-98

The Chargé d'Affaires in Great Britain to the Foreign Ministry

A 684

LONDON, February 14, 1936.

Received February 17.

III E 561.

Subject: Details on the present political situation.

I lunched today with a member of one of the Embassies here¹ who is, in general, very well informed and who gave me various interesting details about the present political situation which I set forth below.

¹ In a letter dated Mar. 5 (5730/E415583) to Rüter, of Department II in the Foreign Ministry, who had written to request this information (5730/E415500-01), Bismarck stated that his informant was the Polish Counsellor of Embassy; the reason for not naming him in Bismarck's report had been that he, who had already repeatedly supplied Bismarck with information, had said he had recently been asked in the Foreign Office how it was that a conversation he had had there had come to the knowledge of Berlin.

My acquaintance began by confirming that all his own impressions, too, went to show that relations between Russia and Britain had very considerably improved during the last few weeks. Russia, he said, was looked upon nowadays by Britain as a State whose attitude was purely one of defence and who desired nothing other than not to be exposed to attack from any quarter, and that therefore Russia was acting in conformity with the British view of the need to avoid all violent convulsions in international affairs. One of the chief milestones on the road to a Russo-British *rapprochement* was the Treaty of Friendship which had meanwhile been signed between the five Powers of the Near East, that is Turkey, Iraq, Persia, Afghanistan and Saudi-Arabia.² Since Turkey conducted her policy completely in accordance with Russian desires and since Iraq's policy was being determined in London, this Treaty of Friendship was proved to be in accord with the policies of these two Great Powers. As far as the situation in the Far East was concerned, he did not believe Britain's *rapprochement* with Russia should be interpreted so widely as to mean that she had already adopted a definite attitude against Japan. He thought that the British would continue trying to maintain good relations with Japan, and thus he judged British policy in this sphere to be more a matter of establishing a "balance of power"³ in the Far East, which would leave it open to Britain to put her money on either Japan or Russia according as matters might develop in the Far East. He too was not expecting any positive results from Litvinov's conversations in this country, though he said that on the other hand it was, of course, a fact that Litvinov had been given a very friendly reception here by everybody and that, in other respects too, there were a number of indications of a lasting improvement in mutual relations. My informant claimed to know that Litvinov had put three precise questions to Eden during his conversation with him, namely, what attitude the British Government would adopt in the three following contingencies: a remilitarization of the Rhineland by Germany, a German invasion of Austria, and a German attack on Czechoslovakia. In his replies, Eden, as regards the first question, had confined himself to a juridical definition; as concerns the other two, he had drawn attention to the Covenant of the League of Nations.

My informant said that Britain's chief concern at present was German rearmament and that there could be no doubt that Britain's relatively friendly attitude towards Germany last autumn during the severe Anglo-Italian crisis had today, one might almost say, gone into reverse. The British press bore eloquent witness to this, but he could

² The draft of a pact of friendship between Afghanistan, Iran, Iraq and Turkey was initialled at Geneva on Oct. 2, 1935. On July 8, 1937, there was signed, at Teheran, a Treaty of Non-Aggression between Afghanistan, Iraq, Iran and Turkey. For the text see League of Nations: *Treaty Series*, vol. cxc, pp. 21-27.

³ In English in the original.

also assure me that in Parliamentary and Foreign Office circles there was strong feeling against Germany. Britain would now start re-arming on a very large scale and there was certainly no doubt that Parliament would approve the Government proposals. But these developments were not particularly agreeable to the British Government, since they spelt the doom of their hopes of winning national popularity through tax reductions. He would not yet go so far as to speak of a deliberate British policy of encirclement against Germany, but no one could doubt that the British attitude towards Germany was unfriendly.

The way the question of colonies had been dealt with during the last few weeks had also shown clearly enough how little inclination there was here to accommodate Germany; for ideas, such as had been developed by Sir Samuel Hoare in his Geneva speech,⁴ about giving other countries access to the raw material areas of the world had in the event already proved to be no more than sound and smoke, whilst the whole upshot of the matter to date was to establish that Government and Parliament were at one in proclaiming the view that not a single square yard of British colonial territory could be ceded. No one should be led to entertain any false hopes in this respect by the speeches of a few left-wing politicians in Germany.

In conclusion, my informant gave me the following particulars concerning the Mediterranean agreement against Italy. Turkey had tried to induce the British Government to convert the agreement, which had been designed to cover only the League of Nations conflict with Italy, into a permanent Mediterranean pact. But the British had taken the line that, desirable as such a pact might be, it could not be made without including Italy.

As regards the statements made by my acquaintance about the unfavourable feeling prevailing towards Germany, I may observe that this provides clear evidence of the impression which the campaign conducted by the British press against Germany in the past few weeks must have made on every observer of the political scene in this country. If members of the German Embassy are told by the British Foreign Office that nothing is further from the minds of the British Government than the pursuit of an anti-German policy, then this attitude, at least at the moment, is still blossoming very much unseen. But it is, at the same time, gratifying to note that the attitude of the British press has certainly calmed down considerably in the last couple of days and it can only be hoped that this will last.⁵

BISMARCK

⁴ On Sept. 11, 1935, to the League Assembly; see document No. 291 and footnote 1 thereto.

⁵ Marginal notes: (i) "[For the] R[eich Foreign] M[inister]. [See] p. 2 [i.e., para. 2, line 12 to end]. v. B[ülow], Feb. 17." (ii) "[For the] R[eich] C[hancellor]. v. N[eurath], Feb. 18." (iii) "The Reich Chancellor is informed. L[ammers], Feb. 17 [sic]."

No. 564

701/261360-63

Memorandum by the Ambassador in Italy

ROME, February 14, 1936.

The Führer said¹ that he was at present considering an extremely far-reaching question, about which he had so far spoken only to Herr von Neurath, Herr von Blomberg, Herr von Fritsch,² Herr von Ribbentrop and Herr Göring.³ The question was whether Germany should take the Paris ratification of the Russian Pact⁴ (or even a favourable resolution by the Chamber) as grounds for denouncing Locarno and of once more stationing troops in the demilitarized zone. The latter, seen from the military point of view, was an absolute necessity. Until now he had always envisaged the spring of 1937 as the right moment. Political developments, however, made one wonder whether the psychological moment had not arrived *now*. Admittedly, the fact that militarily Germany was not yet ready and that she would be considerably stronger in 1937, was an argument for postponement; moreover, it was conceivable that at that later date there might be a Russo-Japanese conflict which would ease matters for Germany. But meantime this was quite uncertain and, as regards relative military strengths, the strength of the others, and especially of Russia, was increasing. At the moment, however, Russia was only intent on having peace in the West. England was in a bad state militarily, and much hampered by other problems; France was distracted by internal politics. In both countries there was strong opposition to the Russian Pact, which was to our advantage. He did not think that such a step on Germany's part would be answered by military action—though perhaps by economic sanctions; but these had meanwhile become thoroughly unpopular amongst the followers, who served as whipping boys, of the Great Powers.

He was now asking himself whether he should not approach Mussolini with the suggestion that he, for his part, should make use of the violation of the Locarno obligations, which the inclusion of Russia represented, as a pretext for denouncing the Pact, whereupon Germany

¹ This interview, of which no other record has been found, evidently took place in Munich (see documents Nos. 574 and 579) on Feb. 14; see also Friedrich Hossbach: *Zwischen Wehrmacht und Hitler, 1934-1938* (Wolfenbüttel, 1949), p. 97.

² General Werner Freiherr von Fritsch, Commander in Chief of the Army. According to Hossbach, Hitler saw Fritsch in Berlin on Feb. 12 (see *ibid.*, p. 97).

³ No record of any such discussion has been found in the Foreign Ministry files. See also, however, a letter from Dr. Dirk Forster, who in 1936 was Counsellor at the German Embassy in Paris, in *The Wiener Library Bulletin*, vol. x, Nos. 5-6 (London, 1956), p. 48, in which Dr. Forster describes a conference he attended (in Berlin) on Feb. 12, 1936, at which the other participants were Hitler, Neurath, Blomberg and Ribbentrop.

⁴ On Feb. 11 the Sarraut Government, in which Flandin was Foreign Minister, had laid the Franco-Russian Pact before the Chamber of Deputies for ratification; the debate continued until Feb. 27.

would follow suit. The political advantages for both parties were obvious and, after all, Italy too had misgivings about the Russian Pact.

As regards the method, he had said to himself that it would be better for the matter to be brought to Mussolini's attention through special non-official channels, in order to convince him that it represented a personal decision made by the Führer himself, and in order that he should not betray us to the other side by passing on this suggestion. Herr von Blomberg, in a conversation with him and General Göring, had wondered whether the latter could not go to Rome. But the Führer did not see how such a journey could be kept secret.

I replied that when I had been summoned from Rome I had immediately thought that this question might be raised. It was clearly in the air. This was also shown by Flandin's answer (they were not going to let themselves again be confronted with *faits accomplis* and had already agreed upon the measures to be taken).⁵ Likewise, it was significant that the day before yesterday the first thing Aloisi had asked me was what we would do if the Russian Pact were ratified.⁶

Until now I had had the definite impression that our policy of "lying low" had been very successful; it was of interest that the Japanese Ambassador⁷ had already told me twice that the others were waiting impatiently for some kind of action on the part of Germany in order to be able to pounce on it. But the Führer himself had already made it clear how difficult was the decision that had to be taken, and I would confine myself to Italy in the following: The view that dominated the situation there was undoubtedly that they had got into a terrible mess, and must seize upon any possible way out of it. Hence one could observe strong opposition, fostered by Grandi,⁸ to all actions which might result in the burning of any bridges that might still exist. Since it now seemed as if oil sanctions were not going to be resolved upon (but would remain in suspension like the sword of Damocles), hopes of a compromise had grown, as had the desire not to get completely into the Western Powers' bad books. The Führer interjected that Starhemberg had told Papen⁹ that he had gained the impression that Britain wanted to crush Mussolini. I replied that everything that I had said applied in the first place to the Foreign Ministry. Mussolini himself, and with him Ciano,¹⁰ had somewhat different ideas. Admittedly, in our last conversation,¹¹ Mussolini had not confirmed as positively as before his belief that Britain's aim was destructive. Nevertheless, this was

⁵ A reference to Flandin's speech to the Foreign Affairs Committee of the Chamber of Deputies on Feb. 12; see also *The Times* of Feb. 13, 1936.

⁶ See document No. 553.

⁷ Yotaro Sugimura. No record of such conversations has been found.

⁸ Dino Grandi, Italian Ambassador in London.

⁹ See also document No. 556.

¹⁰ Italian Minister for Press and Propaganda.

¹¹ See document No. 525.

the view he was most inclined to take, and he was therefore less opposed to clear, far-reaching decisions. I therefore believed that it would be perfectly possible to discuss this subject with him quite privately. But to do so, one point must be made quite clear, namely whether, in the event of Mussolini's refusing, we should carry out our decision all the same, or whether we should do so only in conjunction with him. After a brief pause for reflection, the Führer said that in the circumstances he thought it would be better to tell M[ussolini] that we would take the step in any case, but were suggesting to him that he should denounce the Treaty himself beforehand in order to avoid being placed in an extremely difficult position, also with regard to Germany, in consequence of our denunciation. If he denounced the Treaty and we followed suit, he would have gained the great advantage for Italy that Anglo-French policy would then be directed primarily against Germany. I replied that in any case one must be quite clear about this point in advance, and I repeated that, in view of Italy's exceedingly difficult position, there was no definite guarantee that Mussolini would accept the idea.

As for the method, I said I thought it quite out of the question for a mission such as General Göring's to be kept secret. Precisely because of the unusual course chosen, such a mission would, in fact, give the *démarche* a ten-fold importance in the eyes of the world, and, in my view, would achieve the opposite result to that which it was hoped to obtain by adopting this method. If the Führer decided in favour of getting in touch with Mussolini, then I should think that I myself, acting on his [the Führer's] personal instructions, could so conduct the conversation with Mussolini that he would not make use of the matter to betray us to the other side.

The Führer finally asked me whether I must return to Rome at once or whether I could go to Berlin; he wanted to discuss the matter further there, from Tuesday¹² onwards, and would like me to be present. I replied that I had said in Rome that I would return at once; moreover, as we were giving a big reception on Monday my prolonged absence would probably attract a certain amount of attention. Nevertheless, if desired, I could go to Berlin. The Führer then said that it would, after all, be best if I went back at once, but that I should hold myself in readiness to come to Berlin after Tuesday if necessary.

H[ASELL]

¹² i.e., Feb. 18.

No. 565

5942/E437538

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

No. 36 of February 15

Moscow, February 15, 1936—5:36 p.m.

Received February 15—8:10 p.m.

P. 1168.

Today's leading articles in *Izvestia* and *Pravda*, on the question of the ratification by the French Parliament of the Mutual Assistance Pact, reflect great uneasiness over the delay in this matter.¹

French right-wing circles are charged in the highly official article in *Izvestia* with having fallen completely under the influence of German Fascists. Blinded by their class-consciousness, these circles have, it is stated, failed to understand that it is completely erroneous to suppose that a guarantee of peace can be achieved otherwise than by a system of collective security. The initiative for the conclusion of a mutual assistance pact derives from France, especially from Barthou; the Soviet Government agreed to Barthou's proposals, not because they were unable to defend the frontiers of the Soviet Union with their own forces, but because the Soviet Union cannot, by itself, safeguard general peace. Those in France opposing the Pact are helping German Fascism to achieve the aims laid down in Hitler's book, in which France is represented as the arch-enemy of Germany. It is impossible to discover on what French circles base their hope that by grovelling before Hitler they might divert the storm from France and her allies. If they are relying on any secret promises made by Hitler's envoys, they should remember the promises made by Bismarck to Napoleon when the former was preparing the destruction of France. The resolution of the French Chamber on the Mutual Assistance Pact will decide the future of collective security in Europe; it is to be hoped that the French Parliament will be brought to understand that on its decision will depend the security of France and of the countries close to her.

SCHULENBURG

¹ Signed by Laval on May 2, 1935, the Pact was first submitted for ratification to the Chamber of Deputies on Feb. 11, 1936, the final vote in the Chamber being taken on Feb. 27. The ratification bill was then laid before the Senate on Mar. 3.

No. 566

8621/E604483

The Head of the Press Department to the Embassy in Turkey

Telegram

No. 7

BERLIN, February 15, 1936—6:35 p.m.

[e.o. P 1153.]¹

III O 1030.

In a statement made to the Paris paper *L'Information*,² Rüstü Aras says that, during the study of proposals for the organization of European peace, there have latterly become apparent certain changes and tendencies which he considers it unnecessary to define more closely. This circumstance makes it necessary to study the situation afresh. This is something with which the Balkan Entente will be concerned at their meeting due to take place in March. Till then he will certainly have to observe complete discretion. You should, as opportunity offers, ascertain the purpose and context of the above statements.

ASCHMANN

¹ The document here printed was despatched under this registry number, which was subsequently altered when the file copy was transferred to Department III.

² The document here printed was based on the account of the interview with Rüstü Aras contained in DNB report No. 45 of Feb. 14, p. 16 (8621/E604484).

No. 567

147/78400

Memorandum by the State Secretary

BERLIN, February 15, 1936.

Reich Minister Schacht telephoned me today at 11:30 a.m. and said that he had just had a conversation with the Polish Ambassador which had lasted an hour and had been most friendly and agreeable in tone. On leaving him the Ambassador had been visibly calmed and fortified and had promised to report the conversation to Warsaw at once. His—Schacht's—proposals had embraced four points:

- 1) Repurchase in Italy of the tobacco loan to Poland.
- 2) Settling the Upper Silesian claims.
- 3) A guaranteed ratio between Danzig and Gdynian traffic, with the possibility of German deliveries, and, finally,
- 4) Prescribing for the future what payments we shall be capable of making in respect of the Corridor, so that the Poles may know definitely what sums they can count on.

The sum to be fixed must therefore be within our means and if necessary we should ourselves cut down the traffic so as not to allow this amount to be exceeded. I asked Herr Schacht whether he in-

tended to pay part of this sum in foreign exchange. He replied that this had not been mentioned, but that it was not impossible. Further conversations between Reich Minister Schacht and the Polish Ambassador were envisaged.¹

BÜLOW

¹ By a letter dated Feb. 26 (9172/E645327-28) Lipski informed Schacht that his proposals appeared to constitute a basis for negotiations, and that, since Lipski was prevented by illness from himself conducting the negotiations, a Polish representative was being sent forthwith from Warsaw. A memorandum, e.o. IV Po. 1589 of Mar. 2 (9172/E645315-17) by Consul Schwarz, records information supplied to the Foreign Ministry at Schacht's instance on the negotiations that had taken place between himself and the Polish representative, Sokolowski, on Feb. 28, following which Sokolowski had returned to Warsaw for further instructions.

No. 568

5730/E415502-05

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Airgram

No. 18 of February 15

LONDON, February 15, 1936.

Received February 17—8:15 a.m.

III E 566.

With reference to my report A 656 of February 13.¹

During my conversation with Wigram, reported in my despatch under reference, he had already let fall a remark to the effect that it might be a good thing if I were to be given, by someone in higher authority, the same assurances about the British desire to maintain good relations with Germany as he had already given me himself. Yesterday afternoon Wigram telephoned and asked me to call this morning on the Parliamentary Under Secretary of State in the Foreign Office, Lord Cranborne, who wished to discuss the subject with me once again. Wigram said that unfortunately Mr. Eden was too heavily engaged to be able to see me. Furthermore, Wigram told me that, in consequence of our conversation, the Foreign Office had dropped a hint to the press here to adopt a quieter tone towards Germany, and said he thought I had probably already noticed for myself that, during the last few days, the press had improved in this respect; this I was, in fact, able to confirm.

As arranged, I called on Lord Cranborne today, who opened the conversation by remarking that Mr. Eden had asked him to receive me as, from the attitude of the German press and from my conversation with Wigram, they had derived the impression that mistaken ideas about the objectives of British policy prevailed in Germany. The British Government continued to attach the greatest importance to friendly relations with Germany and were hoping that collaboration between the three Western Powers might be brought about.

¹ Document No. 562.

I thanked Lord Cranborne for this information but, speaking at some considerable length and in terms which were unmistakably plain, I drew attention to the fact that the attitude of the British press during the past few weeks had been such as to compel one to come to precisely the opposite conclusion about there being any intention of collaborating, and that naturally this had caused the greatest displeasure in Berlin. I said I hoped the Foreign Office would use their influence in the right direction. I then drew attention to the tendentious reporting alleging that Austrian independence was being threatened by aggressive German designs; to the approbation (which we found incomprehensible) bestowed on the Franco-Russian Pact by *The Times* and the *Telegraph*; and especially to the armaments campaign conducted against Germany. I told Lord Cranborne that people in Berlin were naturally wondering about the extent to which Britain was concerned to continue maintaining friendly relations with Germany. There was, I said, no change in the Führer's policy of cultivating good relations with Britain, as evinced by his words and deeds, such as, for example, by the Naval Agreement.

In reply, Lord Cranborne first tried to invalidate my contentions by making the usual reference to the independence of the British press, and to dismiss my statements about the attitude of the press to the Russian Pact by observing that there were no British issues involved, but I declined to accept either explanation as valid. As to the attitude of the British press towards German rearmament, he said that the speed of German rearmament was indeed causing much disquiet. He admitted that the Führer had declared time and again that German rearmament served only defensive purposes but said that, nevertheless, various speeches had been made by others to the effect that Germany needed strong armed forces in order to achieve her aims in foreign policy. Russia and France, he said, were today solely concerned with defence, and, after all, there did prevail the fear that, in certain circumstances, Germany would use her military power with aggressive intent to achieve her political aims.

I disputed this view with the utmost firmness, saying that surely the Führer's policy was clear proof of his peaceful intentions, and supporting my statements with various examples. I told Lord Cranborne that he was right in referring to the Führer's declaration that Germany had no objection to an increase in British armaments, but, I said, we also did not desire this rearmament to be justified, as was done last year, on the grounds that German rearmament was compelling Britain to increase her armaments.

After this discussion, Lord Cranborne turned to the real object of our conversation, solemnly repeating what I had already been told, namely, that the British Government attached quite exceptional importance to cultivating friendly relations with Germany; he said that, in particular,

the Foreign Secretary himself was making this one of the guiding principles of his policy. Cranborne thereupon read out to me a relevant passage from the instructions to Sir Eric Phipps of January 6, which Phipps carried out in his conversation with the Reich Foreign Minister on January 14², and I asked to be supplied with the text in order to enhance the effect which our conversation would have in Berlin. The passage read: "I should like the Chancellor to know that I share the views which he has so often expressed regarding a close and confident understanding and collaboration between Great Britain, France and Germany."³ After this sentence the instructions went on to say that the British Government regretted that the Führer saw no possibility at present of continuing the conversations on the air pact. Proceeding from this point, Cranborne emphasized how much store the British Government set by the conclusion of an air pact and he asked me whether the Reich Government's statement, that in view of the general political situation they did not consider the present time opportune for negotiations about the air pact, should be taken to mean that, once the Italo-Abyssinian conflict had been settled, Germany would be prepared to negotiate. I replied that I was not able to give him any information on this point.

Cranborne ended the conversation by affirming once again the British Government's desire for good relations with Germany, and requested me to call on him at any time when there were questions affecting the relations between our two countries to discuss.

BISMARCK

² See document No. 496.

³ The passage in quotation marks is in English in the original.

No. 569

6114/E454536-38

*The Foreign Minister to the Embassy in Italy*¹

Telegram

No. 9 of February 17

BERLIN, February 17, 1936—9:45 p.m.
[zu] II Oe. 502.²

With reference to your telegram No. 13 of February 15.²

Acting on his Government's instructions, the Italian Counsellor

¹ The document here printed is slightly burned. Where doubtful the text has been compared with that in the files of the Rome Embassy (8983/E630005-07).

² In this telegram (6114/E454535) Hassell reported as follows: "Suvich told me this evening that instructions had been telegraphed to the Italian Ambassador today to inform the German Government that next week in Venice Suvich is to meet the Austrian Foreign Minister, who is on holiday in Italy. Starhemberg, too, proposed to pay a visit; Mussolini is considering a tripartite meeting between himself, the Austrian Foreign Minister and Gömbös. The object of the communication to the German Government is to keep them *au courant* and afford them an opportunity to comment. I send this information from Suvich to provide a check, but request that you make no use of this information with the Italian Ambassador."

today conveyed to us, *à titre d'information*, news (with which you are already acquainted) of a meeting between Suvich and the Austrian Foreign Minister. The Counsellor could, however, provide no information about the purpose or subject of the conversation. He did not mention the fact that, at Starhemberg's request, a meeting between Starhemberg and Mussolini is being envisaged for the beginning of March.³ Even though we are not called upon to express any views, it does nevertheless seem indicated in the circumstances that we should inform Mussolini of our attitude to the relevant questions in advance of the Suvich-Berger conversation, and that in doing so we should remind him of the assurances we have been given. You are, therefore, authorized to communicate the following to Mussolini:

In so far as we are informed, the Italian Government have not as yet used their influence in Vienna in favour of a German-Austrian settlement. At any rate, both Berger and Starhemberg have denied to Herr von Papen that Mussolini has been pressing in Vienna for negotiations and a reconciliation with Germany.⁴ We presume that the impending visit of the Austrian Foreign Minister to Italy will afford an opportunity of discussing this question too. That on this occasion Mussolini should make plain his views, seems indicated from the point of view of Italian interests as well, since, after the recent conversations in Paris, and particularly after those held by the Czechoslovak Foreign Minister, it has, in spite of all denials, become quite obvious that efforts are being made to eliminate Italy's influence, too, from Austria and South-East Europe and to cause the influence of Czechoslovakia, supported by France, to predominate in the Danubian Region. We do not think it beyond the bounds of possibility that the idea of damaging Italo-German relations may be playing some part in the present combinations. In view of the standpoint adopted by Mussolini, we believe we may assume that the Italians will leave Berger-Waldenegg in no doubt that Mussolini desires an understanding between Vienna and Berlin, and is opposed to Austria's going over to the Little Entente and, in particular, to Czechoslovakia.

To what extent you will wish to introduce into your conversation the subject of Starhemberg's visiting Mussolini later on must depend on how the conversation develops; but, in any case, I should like to mention that, in his conversations in London and Paris, Starhemberg clearly exceeded his authority and that there appear to be differences of opinion between him and Schuschnigg as to the policy to be pursued by Austria.

For your further information I would add that, in connection with the new Danubian plans, which amount to a preference system amongst the South-Eastern States and are prejudicial to our own legitimate

³ See document No. 556.

⁴ See documents Nos. 544 and 556.

economic interests in the Danubian Region, we have informed the Governments concerned, and particularly Prague and Vienna, that, were such an arrangement to be brought about, we should raise objections and, if need be, reorientate our own economic policy towards these States accordingly.

NEURATH⁵

⁵ A marginal note on the Rome copy (see footnote 1 above) reads: "Herr Altenburg rang me up today and asked whether the Ambassador had already left and whether he had seen the telegram first. I replied 'Yes' to the first and 'No' to the second question. Herr Altenburg then told me that for the time being no action was to be taken on the telegram; the instructions had been sent on the assumption that the Ambassador would still be in Rome. Herewith for submission to the Ambassador immediately upon his return. P[lessen], Feb. 18."

A minute (zu II Oe. 502; 6114/E454539), which was filed together with the document here printed, reads "Herr von Plessen has informed me that Ambassador von Hassell left this morning, without having knowledge of the telegram in question [i.e., the document here printed]. To my inquiry as to when Herr von Hassell intended to arrive back in Rome, Herr von Plessen replied that the Ambassador intended to be back in Rome on Friday evening [i.e., Feb. 21] at the latest. As instructed, I informed Herr von Plessen that he should take no action on the telegram for the time being. Altenburg, Berlin, Feb. 18, 1936."

No. 570

8566/E600065-67

The Minister in Switzerland to the Foreign Ministry

Telegram

No. 18 of February 17

BERNE, February 17, 1936—10:20 p.m.

Received February 18—1:10 a.m.

II Sz. 203.

Federal Councillor Motta asked me to call on him today in order to tell me about certain resolutions which the Swiss Government were about to adopt, probably on February 18, regarding German student organizations in Switzerland and the activities of NSDAP¹ Party offices. He said that he attached importance to informing me beforehand.

Before Motta had embarked on details, I told him that any measures taken by Switzerland against Party organizations at the present moment, just after the Davos crime,² would meet with no understanding whatever on our part.

I spoke emphatically about the judicial proceedings at Coire, and

¹ A minute, dated Feb. 15 (6103/E452105-06), by Renthe-Fink, records a telephone conversation with Dankwort, of the Berne Legation, who stated that the problem of preserving the NSDAP organizations in Switzerland had become much greater in view of demands in the press that they be banned. Weizsäcker had been asked to see Motta in advance of the meeting of the Federal Council; the Swiss might be inclined to follow the Dutch arrangement (see footnote 5 below). A marginal note on this paper reads: "State Secretary: The time for clarifying the question of the A[uslands] O[rganisation]'s representation abroad (cf. oral statements by Gauleiter Bohle) has now come. I think we should resume conversations with Herr Bohle soon. D[ieckhoff], Feb. 15." In telegram No. 8 of Feb. 15 (3857/E044558-59), the Berne Legation were informed that the Dutch arrangement had not worked well and that any Swiss inclinations towards adopting it should be resisted.

² See document No. 536.

requested that the Government should use their influence to see that these did not become a Jewish-monster trial [*Juden-Monstreprozess*]. As regards the measure of punishment for the Davos murder, Motta believes that the Coire Court will in no circumstances follow the Lausanne precedent.³

Motta then spoke of certain measures against the German students' corporation in Switzerland, which have been in force for some time by reason of the Zürich confiscations of which you are aware (cf. my despatch No. A 1543 of November 27, 1935).⁴ Tomorrow the Federal Council will resolve on the measures to be taken against certain incriminated persons. The Federal Council will expel the student Wilhelm Griesch as an alleged agent, and will severely caution Professor Erhard (Fribourg) on account of allegedly inadmissible utterances concerning former Germans who are now naturalized Swiss subjects. Further, it will impose a ban on the re-entry into the country of Friedrich Fahrenbruch, Dr. Fröewis and Gottlob Fröhlich, who are at present not in Switzerland. Whether the central office for the leadership of German students in Switzerland will be closed or continue to be tolerated is not yet certain.

I told Motta that on behalf of all concerned I reserved the right of legal action, as there was no specific evidence to justify the measures in question.

The Federal Council will further resolve that in future reporting on economic matters shall be restricted to diplomatic and consular missions, the German Chamber of Commerce in Switzerland and normal commercial offices within the framework of trade regulations. Economic reports from organizations of the NSDAP and student bodies are to be discontinued in future as they have a political slant.

As regards the main question, namely, the almost unanimous demand by the press for the prohibition of all Party organizations in Switzerland, I received from Motta an assurance that such prohibition was not to be expected. Nor did the Federal Councillor wish to consider a compromise, as in Holland.⁵ On the contrary, he desired to clear up the situation, and he told me that the Federal Council were . . . (group mutilated)⁶ to close the headquarters of the Party in Switzerland. The Landesgruppenleiter was, as the last ten days in particular

³ A reference to the trial and formal acquittal at Lausanne in November 1923 of two persons accused of the murder of a Soviet delegate, Vorovsky, to the Lausanne Conference.

⁴ Not printed (6103/E452061-64). This despatch dealt with the action of the Zürich police who had searched the houses of three Reich German citizens and confiscated papers, of which the most incriminating appeared to be a questionnaire circulated by the Reich Headquarters of the German Student's Corporation [*Reichsleitung der Deutschen Studentenschaft*].

⁵ For this compromise solution whereby the Netherlands Government required Ortsgruppen of the NSDAP in the Netherlands to be renamed, see vol. III of this Series, document No. 48; and vol. II, document No. 110.

⁶ The Berne draft (3857/E044561-63) here reads: "were inclined . . ."

had shown, an important political figure. For the sake of relations between the two countries and in view of the difficulty of ensuring complete personal protection, the Federal Councillor deemed it necessary to dissolve the headquarters of the NSDAP and to place the Party on the same footing as the Italian Fascist organizations, which had no headquarters in Switzerland either, except possibly at their Legation. Best of all would be for the Landesgruppenleitung to be dissolved voluntarily by the Party.

I think I have got Motta to concede that the Federal Council will not take any definite decision tomorrow regarding a prohibition of the Landesgruppenleitung. I told Motta that I would take note of his statement, but that, for my part, I was unable to make any concessions with regard to any reorganizations of the Landesgruppenleitung, and that the responsibility for any bans imposed in connection with the Davos crime must lie with the Swiss Government. I supported my attitude by handing over a further series of provocative articles about the Führer and Germany.

I would request that any instructions for me should reach me by . . . (group missing),⁷ as the full Federal Council will presumably be passing further resolutions on Friday. The Auslandsorganisation has been informed through official Party channels.⁸

WEIZSÄCKER

⁷ The Berne draft here reads: "Thursday" [i.e., Feb. 20]. A memorandum, dated Feb. 18 (6103/E452111-12), by Rintelen, records a telephone conversation with Weizsäcker, whom Motta had just informed of the Federal Council's decision; see also document No. 571.

⁸ Marginal note: "A[uslands] O[rganisation] (Herr Koderle) is informed. The matter was discussed on Feb. 18 with Herr Koderle in the presence of the Dirigent [i.e., Renthe-Fink]. To be filed. H[ertz], Feb. 18."

No. 571

6103/E452117-23

The Foreign Minister to the Legation in Switzerland

Telegram en clair

MOST URGENT

BERLIN, February 20, 1936—2:48 p.m.
e.o. II Sz. 218.

You should communicate the following Note to the Government there forthwith:

"The German Government have learnt with surprise of the Swiss Federal Council's resolution not in future to permit any form of Landesleitung or Kreisleitungen of the NSDAP in Switzerland.¹ This

¹ See document No. 570 and footnote 1 thereto.

resolution represents an inadmissible restriction on the natural operation of the internationally recognized rights enjoyed by foreigners, to the disadvantage of the nationals of a neighbouring State and, in addition, it represents a political demonstration against which the German Government must most strongly protest.

"The German Government must begin by recalling that, as recently as September 26 last, the Head of the Federal Department of Justice and Police replied very fully to an interpellation in the National Council concerning the activities of the then Landesgruppenleiter in Switzerland, and expressly declared that the latter had given no cause for the administrative measures taken against him by the Swiss authorities. On the same occasion there were made known the guiding principles which had been approved by the Federal Council for foreigners' associations in Switzerland. That, only a few months after this announcement, the most important association of Reich Germans in Switzerland should now surprisingly be deprived of its leading bodies in consequence of a ban imposed by the Federal Council, could only be intelligible if there existed evidence indicating a grave contravention of the guiding principles that had been prescribed. The Swiss Government made no reference to the existence of any such evidence when communicating the Federal Council's decision to the German Legation, nor have they made such evidence public. Furthermore, the German Government are convinced that no such evidence exists.

"It goes without saying that the hospitality extended by a State to foreign nationals imposes on them the duty of not interfering in the internal affairs of the country which is their host and of observing the laws generally in force there. If, however, foreign nationals remain within these limits, then the German Government hold that they cannot be denied the right to form associations having the organs requisite for their proper governance, to join a corresponding association in their own country, to hold meetings and to recruit members from among the nationals of their own State. This right the Swiss Government are now denying to a particular association of Reich Germans and in connection with a matter of major importance. It is obvious that the prohibition of a central organization and of Kreisleitungen, which were set up for purely organizational reasons, threatens the existence of the associations themselves. In introducing such measures, the Federal Council are subjecting the association concerned to an exceptional law which is not compatible with the general law relating to aliens.

"This special treatment of an association of Reich Germans is, in this instance, all the more serious in that it concerns the Landesgruppe Switzerland of the NSDAP. The Swiss Government are aware that the NSDAP is the organization of a national movement which embraces

the German people as a whole and which constitutes the foundation of the German State of today. During the last three years, the NSDAP has fundamentally reorganized the whole political life of the German people. It is natural that these events in the homeland should have aroused among Reich Germans beyond the frontiers of the Reich the desire themselves to participate in spirit in this reorganization of German affairs and to promote this participation in the various foreign countries by uniting the like-minded Reich Germans living there. To attempt to hinder Reich Germans, wherever they may live, from uniting within the framework of the NSDAP, even though, in so doing, they keep strictly within the laws governing associations and other regulations in force² in the country which is their host, is therefore tantamount to forbidding them any contact with the national life of the State which is their homeland.

Apart from these general considerations of principle, the Federal Council's resolution is all the more astounding in that it plainly displays an inner and direct connection with the murder of which Landesgruppenleiter Gustloff was the victim on February 4 in Davos. The German people thus see themselves confronted with the fact that the immediate consequence of a crime committed against an irreproachable representative of the National Socialist Movement was official action against the association whose members are supporters of that Movement. It is, therefore, only natural that, when the Federal Council's resolution was made known, people in Germany should have wondered whether it was perhaps the leaders of the Landesgruppe Switzerland of the NSDAP who had committed a political murder. In these circumstances, Swiss public opinion can hardly be taken seriously when it expresses the view that it only became apparent from the nature of the German funeral ceremonies—the transport and burial of the murdered Landesgruppenleiter—that in Germany much greater importance is attached to the position of Landesgruppenleiter than had been thought in Switzerland. In reply to an argument of this nature, the German Government feel they should confine themselves to pointing out that the honour done to Gustloff's mortal remains was done to one who, a martyr in the German cause, fell victim to the bullet of a cowardly murderer, not in consequence of a personal quarrel or of any actions on his part, but simply as the representative of the ideology on which the German Reich is based.³

"In these circumstances, the German Government must expect the Swiss Government to rescind the prohibition which, on February 18,

² Marginal note against this passage in v. Bülow-Schwante's handwriting on another copy (693/259987-93), found in the files of Referat Deutschland, of the document here printed: "That is important. Accordingly, the NSDAP *abroad* constitutes a society in civil law."

³ Marginal note in v. Bülow-Schwante's handwriting at this point on the copy cited in footnote 2 above: "In my view, dangerous."

was decreed against the Landesleitung and Kreisleitungen of the NSDAP in Switzerland.

"I avail, etc."

End of Note.

Please report by telegram when the Note was communicated.⁴ It is not at present intended to publish the substance of the Note. For the time being the press here will merely be informed that the protest has been lodged and of the request made at the end of the Note.

NEURATH

⁴ Weizsäcker replied in telegram No. 24 of Feb. 20 (8566/E600071): "As instructed, Note communicated to Federal Political Department on Feb. 20, at 6.45 p.m."

No. 572

8628/E604805-06

The Ambassador in Turkey to the Foreign Ministry

Telegram

No.3 of February 20

ISTANBUL, February 20, 1936—11:55 p.m.

Received February 21—3:40 a.m.

III O 1031.

With reference to your telegram No. 7.¹

I spoke at length to Aras yesterday on his return from Paris. Aras began with the assurance that, as he had already stated in the interview, the Paris conversations had been purely informative and had resulted in no agreements of any sort, whereupon I remarked that the conversations had vividly reminded me of the way in which certain groups of States had more or less decided upon certain lines and had then tried to place upon Germany the odium of refusal—a method which had occasioned the Führer to make his well-known point on conferences in his May speech.² In this connection Aras' statements to *L'Information* had caused me to ask how they were to be interpreted.

In explanation of these statements, Aras, speaking in confidence, proceeded to develop the following ideas as being his own purely personal thoughts on the organization of world peace: On an occasion where for some other reason—purely by way of example he mentioned the Naval Conference, and provided Germany and Russia were included too—the representatives of the major States, and in particular Germany as well, were met together, conversations should at the same time be held in an outwardly inconspicuous manner (i.e., not as a meeting specially summoned for the purpose) to ascertain whether it would not be possible to find a general settle-

¹ Document No. 566.

² See Editors' Note, p. 171.

ment of the European questions. The conversations should proceed from two basic principles:

- (1) Equal rights for all those taking part.
- (2) No State to have to make sacrifices to another State without in return being able to feel secure for a number of years in respect of that State.

Should this exchange of views prove successful, he has in mind an intermediate stage: A conference of all concerned to work out a programme on the basis of which final agreement could follow as the third stage. He said he was convinced that, in the course of a year at the most, an opportunity would offer for having the preliminary discussions which he had described, but that in the meantime no one ought to forestall a possible solution and [one should] attempt to prepare the atmosphere. I replied that, without needing to go into detail, it was apparent at first sight that there were many difficulties in the course he desired to pursue. Certainly, as far as an improved atmosphere was concerned, statements such as, for example, those recently attributed in a French newspaper to the Czechoslovak Minister President, which expressly referred to German plans for aggression, were not the right method.

In conclusion, Aras said that he had not yet fully thought out his plan, which, as he again emphasized, was his own personal one, but for which he intended to make propaganda as affording a possibility of preserving world peace. After all, all possibilities should be explored before leaving events to take their predestined course.

KELLER

No. 573

8991/E630444-45

The Ambassador in Japan to the Foreign Ministry

No. 38 of February 20

TOKYO, February 20, 1936.¹
W 1884.

With reference to Kiep's report of February 3.²

Kiep's argument that, by reason of the apprehensions set forth in his report, the negotiations with Japan and Manchukuo should, if necessary, be protracted or even broken off, seems to me to be extremely unsound, and for the following reasons:

- 1) That German-Manchukuo negotiations might alarm Chinese public opinion, and that this might have unfavourable repercussions on German exporting interests in China, is an argument which had already

¹ No details as to times of despatch or receipt are included on this copy of the document here printed; the working file is not held.

² Not printed (8991/E630502-28). In this report Kiep expressed anxiety lest the conclusion of an agreement should be made use of for propaganda purposes by the Chinese. See also Editors' Note, p. 782.

been taken into consideration by the responsible Berlin authorities at the time when it was decided to send the Mission out. The Mission having, in spite of these objections and with the approval of the Reich Government, been negotiating for months here and in Manchukuo, these considerations can, now that matters have almost been brought to a conclusion, no longer be advanced as counter-arguments.

2) Concern lest the disadvantages which are feared for Germany might be increased in consequence of the probable deterioration of Japanese-Chinese relations, has no foundation in fact. The danger of armed clashes is now less than in the past six months. In so far as a tolerable state of calm between Japan and China can be expected at all, it now exists. Were we desirous of waiting for complete peace between the two countries, the negotiations would have to be postponed for an indefinite period.

3) Misgivings about political exploitation of the agreement have been dispelled by the Japanese statements (cf. telegram [No.] 33 of February 14, paragraph III).³ Since, however, Kiep's return to Japan would in any case cause renewed . . . (group mutilated), it seems to me advisable to accept his alternative proposal that Knoll be empowered to sign.

4) The Canton problem, which is touched upon in Kiep's private letter to Ritter,⁴ must be entirely disregarded in this connection. German-Japanese-Manchukuo economic relations must not be sacrificed to these transactions; the risk they involved in respect of German-Chinese relations was already known before the Mission was sent out.

5) Our relations as a whole with Japan would be shaken to their foundations if we were now to withdraw without cogent and material reasons. At the present stage, the negotiations [could] fail only for material reasons, for which, however, I see no occasion (cf. our telegram [No.] 37 of February 19).⁵

6) The argument that even without a contractual basis Japanese-Manchukuo trade would of necessity be orientated towards Germany, may have been correct three months ago, but would not be so today if we were to break off negotiations. We should then have to fear that those Japanese military circles who are influential in Manchuria and have so far been working for a favourable outcome of the negotiations would, in their annoyance, direct the Manchukuo orders placed abroad into other channels, and that at the same time the maintenance

³ Not printed (8991/E630448-49); paragraph III reads: "The Japanese and Manchukuo Governments have placed a press ban on the negotiations; they ask us not to publish anything and are willing if need be to keep secret the signing and content of the arrangement, and they further agree to negotiations only taking place here."

⁴ Of Feb. 3 (8991/E630496-99); Kiep sent copies of this letter and of the report cited in footnote 2 above to Dirksen under cover of a letter of Feb. 8 (8991/E630465-68).

⁵ Not printed (9075/E637284); in this telegram Knoll reported that the Japanese had made certain concessions and that he would return to Tokyo on Feb. 28. For further details of the negotiations, which were concluded on Apr. 30, see vol. v of this Series.

of the present favourable course of trade between Germany and Japan, which is linked to a settlement of German-Japanese-Manchukuo economic relations as a whole, would be placed in jeopardy.

Kiep is receiving a copy at Tsingtao via Peking.

DIRKSEN

No. 574

701/261340-54

*Unsigned Memorandum*¹

[ROME,] February 20, 1936.

Acting on the assumption that the Ambassador was leaving for Berlin on the evening of Monday, February 17,² a confidant appeared at about 9:30 p.m. to request that, before his train left, the Ambassador might be given the following reply to a question put by him, after his return from Munich,³ to an Italian personage whose name was not given. The answer ran: "In such an event, Italy would consider herself equally disengaged and would declare herself equally free from her obligations."⁴ The confidant added that confirmation of this reply would reach the Ambassador through another channel.

Late on Tuesday evening a further conversation with the confidant took place, when he gave the following details about his visit, which he himself described as "*romanzesco*" [romantic], and about the mysterious reply. He began by saying that he himself had the impression that, in view of the impending ratification by France of the Russian Pact, and perhaps also in connection with Italy's military successes in Abyssinia, the possibility of a German statement of views on the Locarno Pact did not appear out of the question. He himself had the impression that a denunciation of the Locarno Pact was at present under consideration in Berlin; indeed, he believed that the Führer, and the Reich Foreign Minister too, had already decided to denounce the Locarno Pact after the French ratification of the Russian Pact. He himself thought, therefore, that we had not come to the end of the surprises in store and that the big bang, so to speak, was yet to come. The confidant then divided his actual narrative into the following three parts:

I. Herr von Hassell had had a long conversation with Suvich,⁵

¹ This memorandum was found among the secret files of the German Embassy in Rome and is marked "To be filed. P[lessen], Mar. 23." It contains manuscript alterations in an unidentified handwriting.

² Hassell left Rome on the morning of Feb. 18; see document No. 569 and footnote 5 thereto.

³ For Hassell's memorandum on his conference with Hitler in Munich see document No. 564.

⁴ In Italian in the original: "*In tal caso l'Italia si considererebbe ugualmente disimpegnata e si dichiarerebbe ugualmente libera dei suoi obblighi.*"

⁵ The reference is uncertain; for the conversation of Jan. 24 see document No. 519.

during which he had, amongst other things, enquired as to what was the Italian attitude to the Russian Pact. Suvich had then expressed certain views, which, to the confidant's certain knowledge, represented merely Suvich's own personal views, since Mussolini had as yet never expressed his views clearly and in detail to Suvich on this problem of the Franco-Russian Pact. But what Mussolini had done was to state his views on this problem to another Italian personage, who had, however, said nothing about it to Suvich. It was a fact that Suvich was unaware of Mussolini's views and the very few people who so far did definitely know of them had deliberately avoided saying anything to Suvich about it. Suvich had replied amongst other things that the Russian Pact primarily concerned Germany and only affected Italy indirectly (a statement which had also been made by Mascia to some foreign journalists at a press conference at the end of last week). Suvich had added that the Pact was originally to have included Germany and other States and that it was still open to Germany. Passing to the Stresa policy, Suvich had gone on to say that it was no longer spoken of in Italy, but that this three-Power understanding could never have been regarded as an anti-German affair. Although Germany had not been present at Stresa, she had, nevertheless, been there in effect (the famous "empty chair"), and in any case it had been hoped at Stresa that Germany would finally join in the proposed "*accordo*" [agreement]. At this point the confidant spontaneously added that Suvich, the Triestino, could not break away from his Austrian policy, and that in general he lacked the necessary flexibility (*agilità*) in his political concepts, a deficiency which, at a time of growing crisis, was becoming increasingly apparent.

II. Herr von Hassell had further had a conversation with a second Italian personage, whom he had asked what Italy's attitude would be if Germany were to denounce the Locarno Pact. This second personage did not share Suvich's political views and had therefore told Suvich nothing about his conversation with the German Ambassador, if only because he did not quite trust Suvich. At this point, the confidant said that it was fortunate that Herr von Hassell had maintained reserve with Suvich and had broached only the question of the Russian Pact, and not that of the Locarno Pact as well. In spite of various questions and further enquiries during the conversation with the confidant, it was not possible to ascertain whether this second Italian personage had himself informed Mussolini of his conversation with the German Ambassador or had only caused it to be reported to him. The confidant finally described this second personage as someone not a member of the Foreign Ministry, but who did belong to the Government; on being asked in this connection whether it was Alfieri,⁶ he neither confirmed nor yet denied it but with many gesticulations asked

⁶ D. Alfieri, Under Secretary of State in the Italian Ministry of Press and Propaganda.

that he be not pressed for precise details, which were certainly known to the Ambassador.

III. The confidant had learned from an entirely reliable source that, on Monday morning, Mussolini had had a discussion about the Locarno Pact, and about the eventuality of Germany's denouncing the Locarno Pact. Mussolini had said on this occasion in connection with Italy's attitude, and in the event of Germany denouncing the Locarno Pact: "We shall wait and see what will happen and we shall consider ourselves, for our part too, released from our obligations."⁷ Upon its being objected that in the original reply the verb "*dichiarare*" ["to declare"] had also been used, the confidant stated at once that this sentence could not be regarded as anything other than a formal declaration by Mussolini. In any case, this declaration by Mussolini precluded any diplomatic or political opposition by Italy if Germany were to denounce the Locarno Pact. In that event, Italy would declare that she regarded herself as having been released from her obligations. So far, so the confidant continued, Suvich knew nothing about this declaration, as up to Tuesday evening Mussolini had not said anything about it to Suvich, nor had "the person who had heard Mussolini use these words reported them to Suvich, and he would continue to refrain from informing Suvich about it". In these circumstances, one must avoid anything that might lead to Suvich and/or the Palazzo Chigi learning anything of the matter, possibly through enquiries made of the Italian Embassy in Berlin. The confirmation of the It[alian] reply mentioned on Monday evening could, therefore, not be made through Attolico, but would be given after the Ambassador's return from Berlin.⁸

After giving these details, the confidant drew a parallel between the Italian attitude, as it emerged from Mussolini's declaration, and the attitude adopted by Eden, during his visit to Moscow⁹ in May [*sic*] of last year, to two questions put by Litvinov concerning the function of the Locarno Pact. The two questions, on which the confidant reported fully at the time,¹⁰ concerned the eventuality of France, in case of a Russo-German war, attacking Germany under the terms of the Franco-Russian Pact, and then (1) of France appealing to Britain to put the Locarno Pact into effect, or (2) of Germany taking the same step on her own behalf in London. Eden answered both questions in the negative, so that, as the confidant himself said, Britain would remain neutral. In a Russo-German conflict, Italy would likewise remain neutral, and even Suvich himself admitted that, in the event of a conflict breaking out between Germany and Russia over "Eastern

⁷ In Italian in the original: "*Noi staremo a vedere che cosa succederà e ci considereremo anche da parte nostra disimpegnati dai nostri obblighi.*"

⁸ This sentence has been inserted by hand in the margin.

⁹ Eden visited Moscow Mar. 28-31, 1935.

¹⁰ No such reports have been found.

questions", Italy would not intervene. Suvich was also of the opinion that, in the event of a simultaneous attack on Germany by Russia and France, Italy would have to come to Germany's aid. Thus seen, this possibility is, however, in the confidant's opinion, extremely oversimplified and would in fact never arise; just as Litvinov, by his two questions to Eden, made it plain that the sequence of events would always be such that France would only intervene "*in un secondo tempo*" [at a later stage], that is to say, after the outbreak of a Russo-German war.

Various interpolated questions as to the significance of Mussolini's statement, to which repeated reference was made in the course of the conversation, made on the confidant a rather painful impression, which he at first concealed, but which, towards the end of the conversation, he no longer wished to hide. He kept on stressing that Mussolini's intention was quite clear, and that his policy, which, on the Austrian question, had for some time been differing more and more from that of Suvich, was also becoming clearly divorced from Suvich's policy where the major European questions were concerned, and that, for all that an actual German *démarche* had not been made (which was certainly fortunate, in view of Suvich's attitude), Mussolini had at this stage already taken up a perfectly clear position. A further objection, namely that, according to the confidant's account, one would still have to reckon with a good deal of opposition in the Italian Foreign Ministry, and probably elsewhere in the country too, as far as Italy's attitude to the Locarno Pact was concerned, the confidant rejected as unfounded, since, he said, Mussolini would deal with all this opposition very speedily and thoroughly. On the other hand, the confidant admitted that the parallels he had drawn, during the course of the conversation, between the attitudes of Britain and Italy might, with justice, be called in question since the conclusion of the Franco-British military arrangements. But, he said, the main thing today was that Berlin was obviously intending to denounce the Locarno Pact when the Russian Pact was ratified, and that Italy had not proclaimed, nor would she proclaim, any form of opposition to such a course of action, as was clear from what Mussolini had said. His [the confidant's] personal opinion was that for the Italian mentality there could only be one criterion, namely, that of choosing the right moment. In his view, Germany should not proceed to her denunciation immediately, but should first of all confine herself to proclaiming her fundamental reservations, which could well be done in so sharp a form that the meaning of her attitude in respect of the next step would already be clear. The denunciation itself should, however, be made at a more favourable moment. To the question as to what circumstances would constitute a more favourable situation for a denunciation, and in particular whether it was thought that the

Abyssinian conflict ought to be settled first, the answer was that Germany ought to wait till the disorder in Europe had become still greater, the confusion in Europe more confounded, till the Abyssinian question had perhaps reached its most acute stage. This need by no means happen this year. But even apart from these extreme developments, a situation substantially more favourable for Germany and the denunciation of the Locarno Pact than the present time would arise were, for instance, Italy to be compelled, by the way the policy of the League of Nations developed, to leave the League.

At the end of this conversation the confidant again spoke specially warmly of the work of Attolico, who, from Berlin, was sparing no effort to induce the Italian Government to pursue a policy of *rapprochement* and collaboration with Germany.¹¹

¹¹ In telegram No. 15 sent at 4 a.m. on Feb. 19 (6001/E443093) to Berlin for Hassell, Plessen reported: "The confidant confirmed his yesterday's information as being a declaration by Mussolini to a third person (apparently Alfieri). Suvich was purposely not informed of Mussolini's views. Hence the confidant asks that nothing be done to cause Attolico to enquire . . . (group mutilated) in Rome. His personal impression is that the question of denouncing the Locarno Treaties is at present under consideration in Berlin, and he advises against immediate denunciation since, with the growing disorder in the European situation, a more favourable opportunity may be expected. The confidant apparently had no instructions to repeat the alleged statement by Mussolini to us. In today's conversation with Rogeri and Mosca (Quaroni's successor), I myself gained the same impression as you did in conversation with Suvich."

No. 575

701/261355-59

Memorandum by the Ambassador in Italy

February 20[?21], 1936.

DISCUSSIONS IN BERLIN¹ ON FEBRUARY 19, 1936, WITH ATTOLICO,
BARON NEURATH AND THE FÜHRER

I first called on Attolico. He showed me an article, evidently emanating from Mussolini, in the *Popolo* (dated as early as January 26),² which described Locarno—by reason of the Franco-British military agreements—as seriously "flawed"; but, on the other hand, he also showed me a statement supplied to the Rome correspondents by the Press Office saying that Italy regarded Locarno as valid and that the Russian Pact did not concern her. He again pointed to the struggle between opposing trends: he and others were slowly undermining Locarno and the League of Nations in Rome, while the [Palazzo] Chigi were resisting. Result: *Potentially*: Italy was prepared to rid herself of Locarno if occasion arose; *actually*: "*Io non lo so*" ["I don't know"]. I replied: "The latter is better translated as *No*"—

¹ Hassell telegraphed to the Embassy in Rome on Feb. 20 (M126/M004678) that he would arrive there, by train, on Friday [Feb. 21] at midday.

² The reference is to an article entitled *Contro la pace europea* in the *Popolo d'Italia* of Jan. 26 (3175/682457).

whereupon he emphasized that that would be going too far—but he didn't know. We then went on to speak of the impending meeting between Suvich and Berger, and between Starhemberg, Mussolini, and Gömbös, and he described the news sent us about these meetings by Mussolini himself (through him, Attolico) as a first result of his work. I strongly emphasized that we still noticed no signs of a different tone being adopted in Vienna, whereupon he said that, tactically too, it would be quite wrong for this to happen "suddenly". From Attolico I went to Baron Neurath. He expressed grave doubts about the course of action planned by the Führer, above all because the "speeding-up" was not worth the risk. He, Neurath, did not, however, really think that the other fellows would march against us, but still there was not only the present moment to be considered but also the consequences, which would be an automatic and general concentration against us. And we were isolated enough as it was. Furthermore, he had just been informed that the British had at this very moment raised with Bismarck the question as to whether we could not come to a "working agreement";³ until it became more concrete, we were asked to keep this suggestion secret even from France, though later she must be a partner too. Britain had further requested us to state our views on the outcome of the Naval Conference. I replied that I, too, had these doubts. As far as Britain was concerned, these feelers should certainly be taken with caution, since the danger of a German reaction to the ratification was in the air, and this might therefore well be a diversionary manoeuvre. (That afternoon Baron Neurath told me that he was inclining more and more to this view). As regards Italy, I told Baron Neurath of my most recent Rome impressions and of the conversation with Attolico. In my view, the position was this: If sanctions were intensified, Italy might well want to abandon Locarno. (Baron Neurath said that, according to his information, Italy appeared to have promised the French that, in return for a benevolent attitude towards the Italian policy in Abyssinia, she would not leave the League of Nations; therefore, a denunciation of Locarno had latterly assumed more prominence as being a possible Italian reaction.) Unless there were to be such an intensification [of sanctions], it was unlikely that Italy would act with us over Locarno, and for her to act *ahead of us* was out of the question. I, on the other hand, believed that, in the present circumstances, if Britain and France were to take any form of action against us on the basis of Locarno, by reason of the occupation of the zone, Italy would not cooperate with our opponents, and would thus, to that extent, *de facto* violate her obligations under Locarno.

At 12:15 p.m. we went to the Führer's, where Herr von Ribbentrop was also present. I made more or less the same statements as I had made to Baron Neurath, described the barometer as having risen in

³ In English in the original.

Italy owing to the achievement of military successes, the impression of a slight British *désintéressement*, the dropping of the petroleum sanctions and many countries being "sanctions weary"; all this, I said, did not improve the chances of Italy's collaborating with us. In addition, I emphasized (the [Foreign] Minister agreeing) that, in my view, we need not be in any special hurry, since opportunities for the abolition of the demilitarized zone would also present themselves later on. The Führer took the following view: (1) There was a danger that the demilitarized zone would gradually become a sort of inviolable institution which it would then become increasingly difficult to touch. (2) He believed that the Italian successes would be more likely to stiffen the British than the reverse. (3) On the other hand, it would be psychologically wrong to believe that, success once achieved, a man like Mussolini would be more inclined to compromise; on the contrary, he would really go all out. (4) Situated as were the two Fascist/National Socialist States, surrounded by democracies tainted by Bolshevism, passivity was, in the long run, no policy. (I interposed that Mussolini could hardly be reproached with passivity, but at the most with misplaced activity.) Attack in this case, too, was the better strategy (lively assent from Ribbentrop). He therefore believed that the Russian Pact should now be used as a pretext. (5) In order to deprive the other side of the possibility of declaring our action to be aggression, he intended simultaneously to offer the following:

(a) Continued existence of the demilitarized zone, but on *both* sides.

(b) A Three-Power pact to ensure that the integrity of Belgium and Holland will not be violated, with obligations of support against a violator. (Neurath, during the evening discussion referred to below, drew attention to Eupen and Malmédy; we would thus be guaranteeing that they should continue to belong to Belgium—but this would have to be accepted for the sake of the greater aim.)

(c) This pact could be supplemented by a limited Three-Power Western air pact.

(d) A long-term non-aggression pact with France.

(e) Return to the basic concept of the Four-Power Pact,⁴ but restricted to the immediate problems of the West. This point was originally formulated more closely along the lines of the Four-Power Pact, but was modified on my suggestion (in view of Poland).⁵

I said that this was therefore really a restoration of Locarno, but with the (unilateral) demilitarized zone abolished.

The way in which my conversation with Mussolini was to be conducted was then discussed. (Baron Neurath had told me that Göring had himself meanwhile realized that he could not go to Rome

⁴ i.e., of 1933; see vol. I of this Series, document No. 292.

⁵ This sentence has been added in Hassell's handwriting at the foot of the document.

as a secret envoy.) My memorandum on this⁶ gives further details. Baron Neurath also informed us of the British suggestion, but the Führer took no interest in it.

At 5:30 that evening I went to see Baron Neurath again. State Secretary von Bülow was present. They both pointed out that on March 16⁷ the demilitarized zone would also have been done away with if it had not been supported by the Locarno Pact as well as by the Treaty of Versailles.

While we were talking, Baron Neurath and I were summoned to the Führer again at 7 p.m. Ribbentrop was again present. The Führer began with a correspondent's report from Paris, according to which Cerruti had stated to Flandin that Italy held fast to Locarno and Stresa; so one must be even more cautious, and he would suggest that this report might actually be used as a starting point. I replied that one should not attach too much weight to such reports, but I was all for caution in planning the conversation with Mussolini. Ribbentrop warned that Suvich would immediately give us away to the French, to which I replied that in point of fact there was nothing to give away, for the problem was in any case already in the air, and I would say nothing about decisions or plans on our part. The Führer then once more sketched out what he thought my statements should be, and then went on to plan out his own speech. Baron Neurath raised no further objections and appeared to have resigned himself to the decision [*und schien sich mit der Entscheidung abgefunden zu haben*]. When the Führer described the offers he intended to make to France, I remarked that ninety-five per cent of the French, and probably most of the British too, would, in spite of everything, be conscious of the threat involved in the occupation. To this the Führer made no reply.

Finally the question of the right moment was also discussed. As the Führer was considering striking as soon as the ratification was approved *by the Chamber*, the [Foreign] Minister and I advocated the view that we must definitely wait for the—much more uncertain—Senate in order to have firm ground under our feet.

H[ASSELL]

⁶ See Editors' Note, p. 1170.

⁷ i.e., Mar. 16, 1935, when universal military service was reintroduced in Germany; see vol. III of this Series, documents Nos. 532 and 538.

No. 576

7849/E569577-78

Memorandum by the State Secretary

BERLIN, February 21, 1936.

II Ung. 153.

The Hungarian Minister called on me today to announce his return and to confirm that Schuschnigg and Berger-Waldenegg would arrive

in Budapest on March 13 to return the visit of Gömbös to Vienna in December 1935. The Minister said he had been told by Kánya that the latter proposed to take the opportunity to warn Austria against any political *rapprochement* or economic ties with the Little Entente and particularly Czechoslovakia. He, Kánya, however, still had full confidence in Schuschnigg's and Berger-Waldenegg's abiding by the Rome Protocols¹ and not entering into any obligations without first consulting Budapest and Rome.

The Minister further informed me that the Polish Minister President would be coming to Budapest in the second half of April, to return the visit paid by Gömbös at the end of 1934. This visit, he said, had no special political significance. During Gömbös' visit to Warsaw, too, in the main only cultural questions were discussed. I told the Minister that the visit was nevertheless interesting and could well prove to be valuable, the more so since the Kings and the Ministers President of the Little Entente had recently been travelling about such a great deal.

The Minister then asked me about our relations with Italy and Austria, and, in particular, hoped to obtain confirmation of the rumour that Mussolini was showing interest in the formation of a bloc—Italy, Germany, Austria, Hungary, Poland. This, however, I was not in a position to confirm. He further wanted to know whether we believed Mussolini's assurance that he would never return to the Stresa Front and the like. Finally he asked me what our attitude was towards the Russo-French Pact and to the danger of a Rumano-Russian pact.

The Minister told me, as he had already told the Foreign Minister,² that Minister President Göring had asked him for a list of the questions which were causes of friction between Hungary and Yugoslavia. It was obvious, he said, that the Minister President intended taking up the settlement of these points in Belgrade. He—the [Hungarian] Minister—had discussed this question with Kánya. Kánya had prepared a paper which he [Sztójay] would shortly send to Minister President Göring and the Foreign Ministry.³ This paper dealt mainly with minority, passport and frontier questions and the like. (The [Hungarian] Minister made no mention whatever of territorial questions.) Minister President Göring, he said, had further put a similar question with regard to Rumania. He—the Minister—had at once made it quite clear to Göring that the situation with regard to Rumania was quite different. The *rapprochement* with Yugoslavia, which Germany so strongly advocated, had a long previous history. On the

¹ Signed by Austria, Italy and Hungary in Rome on Mar. 17, 1934; for the texts see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-303; see also vol. II of this Series, document No. 332 *et passim*.

² No record of this conversation has been found.

³ A memorandum by Bülow dated Mar. 10 (7849/E569597-604) records receiving this list from the Hungarian Minister, Sztójay, who claimed to have given the list to Göring the previous week.

Hungarian side gestures had repeatedly been made, which had evoked a certain number of return gestures on the part of Yugoslavia. Nothing of the sort had occurred with regard to Rumania, and the Rumanian attitude right up to the present moment had remained uncompromisingly hostile to Hungary. With regard to Czechoslovakia, the situation was perfectly clear and was not worth elaboration.

BÜLOW

No. 577

9588/E675956

Memorandum by an Official of Department II

[BERLIN,] February 21, 1936.

The course of major policy in Europe, also as far as Rumania is concerned, is substantially determined by the Western Great Powers. This applies equally to Rumania's relations with Soviet Russia.

Our political interest in Rumania is not so extensive as to cause us to consider (by reason of any possibilities threatening from Soviet Russia) entering into any relations with her beyond those of normal correctitude, still less assuming special obligations towards her. We must also have regard to our relations with Hungary, firstly inasmuch as Hungary in her revisionist policy is pursuing similar goals to our own, and further because Hungary, if only in view of her geographical position, is more important to us than is Rumania, that uncompromising opponent of revisionism. That, given this attitude, we treat Rumania politically differently from, e.g., Yugoslavia, is exactly consonant with our intention of, if possible, breaking up the Little Entente; treating its several members differently may well contribute towards this end.¹

B[USSE]

¹ Marginal note in Busse's handwriting: "Memorandum made after a conference with the St[ate] S[ecretary] on Feb. 21, [19]36."

No. 578

115/117428-30

Memorandum by Ministerialdirektor Dieckhoff

BERLIN, February 22, 1936.

The Lithuanian Minister availed himself of his first visit to me today to give a lengthy and detailed analysis of the present state of German-Lithuanian relations and to expatiate on the possibilities of improving them. He started the conversation by informing me that the Lithuanian Government had "accepted" our suggestion for entering into

economic negotiations, then made a few comments about its not being easy to find a basis for an economic treaty, as the Lithuanians had meanwhile become accustomed to other markets and sources of supply, and finally asked about the date when negotiations were to begin and the composition of the German delegation. I informed M. Šaulys that we intended Herr Hemmen to be leader of the German delegation but that he was still detained by Irish negotiations; we thought, however, that we should be ready for negotiations in Berlin in the first half of March. The Minister then informed me that the Head of the Economic Department of the Lithuanian Foreign Ministry would be passing through Berlin shortly on his way back from Paris and Brussels and would welcome an opportunity of learning in the Foreign Ministry something of the German programme for the economic negotiations. I told the Minister that the gentleman would be received by Herr Roediger; I did not know whether we could tell him anything about our programme yet as our preparations were not quite concluded and the leader of the delegation was, as I had said, at present still in Dublin.

M. Šaulys then spoke about the political aspect of German-Lithuanian relations. He considered a resumption of normal economic relations would not be sufficient to place Lithuanian-German relations on a satisfactory basis; before this could be done there must be certain developments in the political field. He cautiously hinted that German propaganda in the Memel Territory must somehow be checked as otherwise there could be no peace there and fresh tension would continually be created. It would also be necessary for the press of both countries to show more restraint in future than they had done in the past; he had already drawn up with Herr Aschmann an appropriate truce formula,¹ but was still waiting for information about putting this agreement into force. Finally the Minister, very cautiously and, as he emphasized, giving this entirely as his own personal opinion, said that German-Lithuanian relations would be substantially clarified and improved if an authoritative German quarter were to make a declaration approximately to the effect that there was no intention of demanding the return of the Memel Territory to Germany, or else that the Frontier Treaty of 1928² was regarded as final and binding, or something of the sort. When I looked extremely surprised at this, the Minister explained his suggestion by saying that, in German propaganda in the Memel Territory, in German newspapers and finally also in statements made by leaders of the NSDAP, the idea was repeatedly expressed that Memel must return to Germany, Memel belonged

¹ The relevant files of the Press Department are not held and no further details have been found.

² The Treaty between Germany and Lithuania regarding the Settlement of Frontier Questions, with Final Protocol, was signed at Berlin on Jan. 29, 1928; for the text see League of Nations: *Treaty Series*, vol. LXXXIX, pp. 97-126.

to Germany etc.; the Minister also drew attention in this connection to a passage of this sort in the Führer's book *Mein Kampf*.

I told M. Šaulys in reply that we too welcomed in principle everything which might bring about a real return to normal and an improvement in German-Lithuanian relations. This, however, depended entirely on Lithuania. As far as I knew, relations between Germany and Lithuania had been on the whole quite satisfactory until five or six years ago, but then, and solely on account of the conduct of the authorities in the Memel Territory, which was in contravention of the Statute, they had deteriorated. The attitude of the German press and the alleged German propaganda were in no way responsible for this development, which was, on the contrary, merely the natural consequence of the Lithuanians' conduct towards the Memelland Germans in the Memel Territory. If such serious infringements by the Lithuanians in the Memel Territory of the Statute, and of the rights guaranteed by the Statute to the German section of the population, had not occurred, then things would have remained peaceful. There would then have been no scope for alleged propaganda and public opinion in Germany would have had no cause for excitement. It would continue to be like that. If the authorities in the Memel Territory behaved correctly in future then the agitation in German circles in the Memel Territory and in Germany would gradually die down and so this disturbing factor would automatically disappear. As for the suggestion, which I assumed was an entirely personal one, that an authoritative German declaration should be made on the question of the future of the Memel Territory, I could not see why we should make such a declaration. I was not aware of any responsible German statements in which this question had been raised, and there was therefore no occasion to declare our attitude. The Minister appeared to understand this, and did not revert to his suggestion.

The conversation, which lasted over an hour and was conducted very politely, ended with my agreeing once more with the Minister that German-Lithuanian relations should be gradually normalized and improved, but I again stressed that this would depend solely on Lithuania's conduct.

DIECKHOFF

[EDITORS' NOTE: An unsigned memorandum, dated February 22, 1936 (701/261341-44), which evidently represents Hassell's draft for his statement to Mussolini (see document No. 579), has been found in the files of the Rome Embassy. It has been marked "To be filed" and initialled by Plessen on Feb. 23. This memorandum, which is in two parts, reads as follows:

"The Führer has first instructed me to convey to Your Excellency the most cordial congratulations on the great successes in Africa. He feels

the strongest sympathy for the Fascist State, the more so as this State is fighting the same enemies as those against which National Socialism also has to fight.

"The Führer had me summoned to Munich and thereafter to Berlin in order to discuss with me the international situation where a number of danger points have manifested themselves. On the basis of this conversation he personally instructed me to discuss these problems with Your Excellency in a most confidential manner.

"For the Führer the major problem is the policy of the Soviets, and above all the fact that certain forces are endeavouring with increasing success to draw Soviet Russia into European affairs. The danger does not lie so much in Moscow's designs for direct attacks or spreading revolution as in the systematic attrition of the forces opposed to Communism in Europe. If one reflects that a large number of the more important European States have completely unstable State systems providing the most fertile soil for Moscow's policy of disruption; if one considers the Czech cooperation with Moscow, the startling advance of Soviet influence in Rumania, the events in Spain, and, not least the character of the French Cabinet, then one is compelled to have grave doubts. It is in this light that, above all, the Franco-Russian Pact must be regarded. But British policy must also be viewed with grave doubts inasmuch as at present British policy is pressing perhaps even more strongly than is the French for close ties with Soviet Russia. In the Abyssinian question, Litvinov is fighting shoulder to shoulder with the British sanctionists. The danger that in London, conjointly with Moscow, an intensification of sanctions will be decided upon has not yet been removed. In these circumstances, the Führer has been puzzled and disturbed to receive information that the Italian Ambassador in Paris (precisely at this moment when the ratification of the Russian Pact is on the agenda in Paris) has stated that Italy holds fast to Locarno and Stresa. Similar statements were made a few days ago about Locarno to foreign correspondents in the Press Office. Would Italy really, in the event of sanctions being intensified, stick to Locarno and remain in the League of Nations? But indeed the whole question is becoming a burning one as to how long the States that clearly set themselves against Bolshevism—that is to say, Italy and Germany—are prepared to go on passively watching these dangerous developments. I am throwing out this question quite personally and academically. The Führer has as yet taken no decisions of any kind, indeed he generally takes them quite alone and in the last thirty-six hours. But he has read with great attention the article in the *Popolo d'Italia* of January 26, which says:

'The Treaty rests on the equilibrium between the two guarantor Powers and on the complete reciprocity of the Anglo-Italian obligations in favour of both.

'It is not possible to admit of one of the guarantors undertaking other obligations in favour of one side as against the other, and still less to admit of one of the guaranteed parties concluding military conventions with one of the guarantors to the detriment of the other guarantor without thereby endangering the sensitive system of equilibrium.'

"If one considers both the character of the Anglo-French agreements for the case of an Anglo-Italian conflict, and further the introduction of Russia which destroys the equilibrium of the Locarno system, then the question suggests itself as to whether Italy, even quite apart from an intensification of sanctions, is prepared to continue to bear the responsibility entailed by her holding fast to Locarno in these circumstances, and especially after a ratification of the Russian Pact."

"The Führer is grateful for the information about the Italo-Austro-Hungarian meetings. As far as future developments in the Danubian Basin are concerned, three points are important to us:

"1) Here, too, the endeavours of Czechoslovakia, and it would appear likewise Rumania, to draw in Soviet Russia constitute a great danger.

"2) We do not wish to allow any doubts to remain that we have no intention whatever of negotiating with any sort of bloc. We are prepared to conclude with every single State economic treaties, etc., designed to promote mutual intercourse as much as possible. But a bloc, constructed without our participation, cannot form a party for us to negotiate with.

"3) We desire, completely in the sense recently enunciated by Your Excellency, a normalization of relations between Berlin and Vienna. But so far we have not been able to observe any change of tone in Vienna where we are concerned; above all, the brutal persecutions of National Socialists in Vienna continue uninterruptedly."]

No. 579

6710/E506174-81

The Ambassador in Italy to the Foreign Ministry

TOP SECRET

Geh. 20

ROME, February 22, 1936.

II It. 210.

POLITICAL REPORT

Subject: Conversation with Mussolini based on the conversations with the Führer in Munich and Berlin.¹

¹ See documents Nos. 564 and 575.

Mussolini received me at 7 o'clock this evening. After I had first, as instructed,² conveyed the Führer's congratulations on the military successes in Abyssinia, I spoke in the following terms:

The Führer had summoned me to Munich and Berlin to discuss the international situation with me, with special reference to the Italian point of view. He had now charged me to make a personal and confidential report to Mussolini, by reason of confidence having now been restored, on these conversations of ours and to enquire as to his, Mussolini's, view of the situation. The conversation with the Führer had also had a private character inasmuch as its contents had not been circulated to the departments. Mussolini replied that he would treat our conversation in the same way.

The Führer, I continued, saw in the present political situation a number of grave danger points, amongst which Soviet policy ranked first, not so much by reason of our having to fear an attack or the direct promotion of revolution, but rather the systematic disintegration of all factors opposed to Bolshevism. This was rendered easier by several of the countries having completely unstable systems of government. I then described the corresponding signs in the different countries (Spain, Rumania, Czechoslovakia, France), next made only a brief reference to the negotiations on the ratification of the Franco-Russian Pact and then brought up the surprising tendency of British policy to draw Soviet Russia more and more into European problems; in the Abyssinian question, too, Britain was, I said, working shoulder to shoulder with Litvinov. In these circumstances, the danger of sanctions being intensified was obviously by no means out of the question yet.

In these circumstances, I continued, the Führer had been greatly surprised to receive information that the Italian Ambassador in Paris had, at this precise moment, declared to M. Flandin that Italy held fast to Stresa and Locarno. A spokesman of the Press Department, too, had told foreign journalists that Locarno was valid for Italy and was not under discussion, and also that the Franco-Russian Pact did not affect Italy.

On this part of my remarks Mussolini made the following observations: It was out of the question for Cerruti to have spoken in this manner in Paris on official instructions; for Italy, Stresa was finally dead. As for Locarno, it was an appendage of the League of Nations and it would disappear of its own accord the moment Italy left the League of Nations. It was true that the Franco-Russian Pact did not affect Italy directly, but he took a completely unsympathetic view of it and he thought it harmful and dangerous; this view he had also conveyed to the Polish Ambassador, Wysocki, when the latter left for Warsaw. As regards the general situation as I had des-

² See also Editors' Note, p. 1170.

cribed it, he fully shared the Führer's view; in particular, he regarded the events in Spain³ as directly connected with France. France was passing more and more into the hands of the Left and in the not very distant future Léon Blum⁴ would be the uncrowned king of France. Relations between Italy and France were consequently deteriorating steadily. In England, not only was a large proportion of the Conservatives bent on the annihilation of Fascism, but, despite all contradictions in British policy, one thing was generally clear and that was that there were no signs of giving way. On the contrary, he was convinced that the greater the military successes Italy gained in Abyssinia, the stronger would be the tendency in England to resort to more powerful methods to end the war.

The Negus himself might perhaps even now be prepared for peace on an acceptable basis, but, in the first place, he clung to the duty of the League of Nations to defend him, and, secondly, Britain would not permit him to give way. In these circumstances, he said, he was quite certain that an intensification of sanctions in one form or another was on the way, and to that extent he regarded the situation as very grave, for the moment was approaching when it would have to be decided whether to have war in Europe or let Italy have her way in Africa, although letting Italy have her way need not mean that she would pocket the *whole* of Abyssinia. In the course of the next few days he would send for the French Ambassador⁵ and would once again draw his attention to the full gravity of the situation; nevertheless, he believed, as he had said, that sanctions would be intensified. He would unconditionally reply to any form of intensified sanctions by leaving the League of Nations, whereupon, as he had already said, Locarno would come to an end of its own accord.

I then went on to speak of the article in the *Popolo d'Italia* of January 26, which I said the Führer had read with great interest, and which stated that the Anglo-French military agreements were destroying the equilibrium of Locarno, an inadmissible development and one which must finally lead to the collapse of the Locarno system. In the same context, our attitude concerning the Russo-French Pact coincided, *mutatis mutandis*, completely with this view. Mussolini said that even today he still stood completely by this article, but one must unfortunately reckon with the steadily increasing solidarity between Britain and France as an unshakable factor for the time being. To my remark that the British lost no opportunity of assuring us that their policy was not directed against Germany, he replied that we ought not to permit ourselves any illusions in that respect. He would repeat that he himself would not hesitate, even in face of this solidarity, to part

³ The *Frente Popular* gained a majority in the general elections held on Feb. 16, 1936.

⁴ Leader of the French Socialist Party.

⁵ Louis-Charles Comte de Chambrun.

company with the League of Nations if the sanctions were in any way intensified. To this I remarked that he could well imagine how gravely preoccupied the Führer was at present in case the Russo-French Pact should be ratified. Ratification by the Chamber appeared to be certain, but the Senate was rather more doubtful. Mussolini thought that the Senate, too, would finally accept. But, at any rate, the whole affair was obviously being very long drawn out, which had already given the Russians cause to grumble, and he thought it possible that the Senate would drag the affair out still further. But, as he had said, he assumed that ratification would come about in the end. I remarked that such a result would confront us with some very grave decisions, for we would not be able to accept such a violation of Locarno without reacting in some way. The Führer had, however, as yet taken no decisions of any kind; in any case, he was accustomed to take decisions only in the last thirty-six hours and quite alone. If I had understood him (Mussolini) aright, Italy saw no occasion to do anything in the event of the Pact's being ratified. He gave an affirmative answer, repeating that he disapproved of the Pact, but that it did not concern Italy directly. Thereupon I replied that I could perhaps likewise conclude from this that Italy would also remain aloof if the reverse were the case, that is to say that, in the event of any German reaction whatever to ratification, she would not cooperate with France and Britain in so far as the latter might declare that, as Locarno Powers, they were compelled to take action. This interpretation of mine Mussolini twice confirmed to be correct.

From the above it emerges that:

1) Mussolini is counting on sanctions being intensified and, in this event, envisages withdrawing from the League of Nations, when the Locarno obligations would lapse automatically too.

2) Mussolini believes that the Russo-French Pact will be ratified, but thinks that ratification will very likely be protracted by the Senate, so that the decisive moment will be put off for even longer.

3) Mussolini would not take ratification of the Russo-French Pact as the occasion for action by Italy.

4) Mussolini would not take part in action by Britain and France against Germany occasioned by an alleged breach by Germany of the Locarno Treaty.

I venture to propose that I be placed in a position to acquaint Mussolini, in confidence, of any German decision taken in respect of the ratification of the Russian Pact, in good time and before it is announced to the other parties concerned and to the public. It will be possible to choose a moment for thus acquainting him which will render impossible any misuse to our disadvantage.

After this subject had been exhausted, I thanked Mussolini for the information he had furnished to the German Government concerning

the forthcoming Italo-Austro-Hungarian meetings; I said that when furnishing this information he had also proposed that we should put forward views on the subject which might seem useful. We wished to say the following:

1) In this connection, too, it appeared necessary to us to invite attention afresh to the great danger inherent in bringing Soviet Russia into the sphere of Danubian problems.

2) We wished to leave no room for doubt that we would not negotiate with any blocs constructed without our participation. We were prepared to conclude the most favourable trade treaties and to maintain the most intensive economic relations with any individual State. But were we to be placed before the accomplished fact of a bloc, we would not be willing to treat with that bloc as a party to negotiations; indeed, in that event, we would even be compelled to revise our trade relations with the individual members [of the bloc].

3) It was, in full accord with Mussolini's most recent observations,⁶ our earnest desire to normalize relations between Berlin and Vienna. Meanwhile, we had not yet been able to observe that milder breezes were blowing in Vienna; in particular, the brutal persecution of National Socialists in Austria continued undiminished.

Mussolini replied that he agreed with us on point 1), and that on point 2) he fully understood and approved of our position. As regards Austria, he adhered to everything he had said to me shortly before.⁶ He had also sent instructions to this effect to the [Italian] Minister in Vienna. But there was no ignoring the fact that the problem had difficult psychological implications and could not be taken by storm. Apparently the root of the matter was the attitude of National Socialism in Austria, and to reach agreement on this was the real business. If one were envisaging a genuinely independent National Socialism within the special conditions prevailing in Austria, then it should be perfectly possible to find a solution. He had given instructions that we were to be informed of the outcome of the conversations between Suvich and Berger-Waldenegg. Starhemberg would probably be coming to Rome on March 4. Meantime he attached less importance to this meeting than to one between himself (Mussolini), Schuschnigg and Gömbös, which he had in mind for about mid-March; he had that very day telegraphed to Gömbös to suggest it. He said he believed that, precisely through M. Gömbös' taking part, this meeting could serve a useful purpose in respect of the views we had just discussed as well. He, Mussolini, attached steadily increasing value to close cooperation between Hungary and Italy, and he believed that it was also in our interests and in the interests of a German-Austrian understanding. I replied that it appeared to me important to avoid conveying any impression that it was a matter of

⁶ See documents Nos. 485 and 525.

repeating past events, when this tripartite cooperation had had an unpleasant flavour for us. Mussolini said that he was convinced that the previous agreements⁷ were not directed against Germany either. Still, he would admit that we might perhaps have obtained that impression at the time, but he could assure us that today an entirely fresh situation had arisen—indeed, he might even put it this way, that this tripartite meeting would be taking place precisely with attention focused on Berlin. He would be betraying no secrets were he to say that of late Hungary had not been completely in accord with Austrian policy, and that one of the main purposes of the meeting would be precisely that of erecting a firm dam against Austria's drifting into the domain of the Little Entente.

HASSELL

⁷ The reference is to the Protocols signed by Austria, Hungary and Italy in Rome on Mar. 17, 1934; for texts see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-308. See also vol. II of this Series, document No. 332 *et passim*.

No. 580

9147/E643525-35

The Minister in Czechoslovakia to the Foreign Ministry

A III 1 allg.

PRAGUE, February 23, 1936.

Received February 25.

II Ts. 387.

POLITICAL REPORT

Subject: Conversation with President Beneš.

Contents: Danubian plans and various pending questions not touched upon. Dependence of Czechoslovak policy not only on France, but also on Britain.—Beneš' advocacy at Versailles of protection of minorities.—His offer, in exchange for the small Hlučín territory, of a large German-populated area; this offer frustrated by Lloyd George.—His advocacy of the Locarno Treaty and of an accommodating policy as regards disarmament.—His unprejudiced attitude towards Germany, the common historical past of the two peoples.—His remarks on the form of the German State.—His previous vain attempts to achieve better relations with Germany.—Article 16 of the League of Nations Covenant; regional treaties.—Comparison of Locarno Treaty and Russian Pact.—Czechoslovakia not Russia's aircraft carrier.—No military agreements; Beneš is "not such a fool".—*Anschluss* question, reasons against the *Anschluss*; the attitude of other countries.—Austria must never become a tool against Germany.—Opposition to Danubian federations.—References to previous statements as providing a check.

On the afternoon of February 21, I called on President Beneš in response to an invitation issued shortly beforehand. M. Beneš told me he had invited me to come because, as he had said when I presented my credentials at the beginning of the month,¹ he wished to establish personal contact with me and have a chat about politics. The proceedings were quite informal, coffee and cakes were served, and the President was most friendly throughout. The "chat" was somewhat one-sided, inasmuch as Beneš delivered a three-hour address on his policy, which I only interrupted now and then with some query or expostulation. When I took my leave he expressed the hope of seeing me more frequently and left it to my discretion to come directly to him whenever there were any difficulties to remove.

The line of thought which he pursued and the assertions that he made can hardly be regarded as new. Nevertheless, I should like here to summarize the salient points. The President had not a word to say about my conversation of the previous day with Minister President Hodža,² nor had he anything to say about certain representations I had recently made to State Secretary Krofta³ on the necessity for a fundamental change in the handling of German affairs by the authorities, for all there are grounds for assuming that both of them had informed the President about my conversations. It appeared to me, too, to be inappropriate to raise these points again during this conversation.

M. Beneš went far back into the past to trace the origin of his policy, and he marshalled his statements as in a university lecture. At the start he became involved in generalities, but when he discussed specific points, such as Czechoslovakia's military relations with Russia, or the question of the *Anschluss*, which he raised quite suddenly, he became incisive and almost passionate. He spoke in German, with only an occasional word in French, when the appropriate German expression did not come readily to his mind.

His policy after the foundation of the Czechoslovak State, he said, had had perforce to be a policy within the framework of the League of Nations and inclining towards the Western Powers. And he meant, he said, the Western Powers, not France alone, as was believed in Germany. To incline towards British as well as French policy had always appeared to him to be particularly important since he saw in British policy the necessary corrective to French policy, the exaggera-

¹ Reported in despatch A III 1b 8 of Feb. 7 (9139/E642563-66).

² Reported in despatch A III 1b 21 of Feb. 21 (7826/E568156-64). The conversation was concerned with Hodža's plan for the Danubian region (for bringing the countries of the Little Entente and the Rome Protocols into closer economic relations); his views on the *Anschluss* question; and statements attributed to him in Paris by the press.

³ The despatch cited in footnote 2 refers to report A III 1b 21 of Feb. 17 (not found) which evidently contained an account of Eisenlohr's conversation with Krofta when acting on the instructions contained in document No.559. No other report on a conversation with Krofta has been traced.

tions and errors of which he clearly recognized. As examples, he instanced the French inclination, evinced at Versailles, towards the dismemberment of Germany and, later, the support given to the Rhenish Separatists. Were he ever to publish his memoirs, the documents included therein would show on how many occasions he had urged moderation and a more yielding attitude on the French statesmen. Already at Versailles it had been he who had intervened with Wilson for the protection of minorities to be laid down by treaty, and he had, indeed, also managed to get this done in the face of considerable opposition. Admittedly, he said, Czechoslovakia had received a small piece of German territory—["unfortunately["], I interjected here, ["this lies between us, which is indeed why it was given to you["]]—but he had advocated that in exchange Germany should receive a far larger portion of Bohemia, with a population many times greater than that of the small Hlučín territory. Lloyd George had told him that he was unable to understand this and had frustrated his plan. Beneš said that he had welcomed the Locarno Treaty, had been gladly content to accept for Czechoslovakia a simple Arbitration Treaty, and had advised the French not to make things more difficult for themselves by insisting on making the Polish demand for a simultaneous Eastern Locarno a condition for accepting Western Locarno. The Poles at the time had accused him of having betrayed them. He had always been in favour of a German-French *détente* and had always supported it; in this respect, too, we in Germany did him an injustice.

With regard to the question of disarmament, he had advised the French, he said, to make a timely concession. He did not condemn German rearmament, he had foreseen that it would happen; so, for that matter, had the French, who had, however, miscalculated both the onset and tempo of our rearmament. But he was forced to regret that the method of friendly understanding on this question had not achieved its purpose; if it had, then we would be much further on in Europe today, which would have been politically more advantageous for Germany too.

He was quite open-minded about Germany, he said. He well knew what German culture had meant and still meant for his people. He knew what it meant that, regardless of all the struggles of the nationalities, his people had for centuries lived closely together with the Germans, even though the Czechs had not fared well under the Habsburgs; he knew that from here, where we now were, from the Hradčany, great German Emperors had ruled their Reich and that, as he had once told an Italian diplomat, Czechs had formed the vanguard of the German armies at the capture of Milan and Rome. He also understood that the National Socialist Movement had had to come in Germany as reaction to national humiliation and social disintegration.

Dictatorship he regarded as something "transitional", as every form of State, and amongst them especially that of a dictatorship, was, according to the experience of history, conditioned and bound by the time factor. Dictatorship might well be unsympathetic to many members of political parties in Czechoslovakia, and their own party attitude might make them hostile towards it; but these were short-sighted hotheads. Germany's form of government was no concern of his, for it was a purely internal affair of the German people. Here, too, he claimed to be completely without prejudice.

He was compelled, he said, to pursue a policy which gave his country security and the time required gradually to consolidate the still somewhat fluid structure of the State. But that he inclined towards the Western Powers did not mean that he adopted a hostile attitude towards Germany. On the contrary, he had repeatedly tried, both in his public reports to Parliament and in his conversations with German Ministers—he named Stresemann and Curtius—not only to establish normal relations with us, but to go further than that and make them more friendly. For seventeen years he had repeatedly stretched out his hand; he had admittedly received friendly answers in private conversations, but never once in public. This was a reproach which he levelled at those who conducted German policy.

He then went on to speak of safeguarding peace through the League of Nations, that is to say the obligation, provided for under Article 16 of the Covenant, to lend support against a State breaking the peace. He related how, when the Japanese had attacked China, he had expressed the view to Sir John Simon that the contractually agreed obligation to lend support was either a reality, in which case it must be honoured if one were "*sérieux et honnête*", or it was devoid of meaning. The British Foreign Secretary had countered by asking him with what naval forces Czechoslovakia proposed to take part in the action against Japan. He had learned from this that Article 16 of the Covenant of the League of Nations was unworkable if it applied all over the world; but here, in Europe, it was possible jointly to safeguard peace; he therefore favoured the conclusion of regional pacts, designed to serve this purpose and capable of accomplishing it. Here I interjected that in regional pacts, and particularly in those which contained an automatic obligation of mutual assistance, we saw a danger that the flames of war might spread in all directions and that, apart from this, we had good cause to fear that the victors of the World War might abuse regional pacts in order to prevent the gradual reduction of the injustices of the Peace Treaties—in other words that regional pacts might serve to perpetuate the dangerous tensions resulting from these injustices. It seemed to us that it would only be possible to safeguard peace through such pacts when there had been

brought about, by way of peaceful development, a reasonable order of things which Europe felt able to accept.

Beneš described the Russian Pact as a result of his people's deeply ingrained fear of us. He fully realized, however, that Czech culture was a Western culture and could never tend towards the Russian. He was quite determined, he said, to fight Communism ruthlessly within his own country, and he was decidedly reckoning with the possibility that relations between Germany and Russia might improve again. When he tried to draw a parallel between his Russian Pact and the Locarno Treaty, I said that to me the differences seemed to be very considerable. The very grave concern which the French and Czechoslovak Treaties with Russia had aroused in Germany was due, I said, —apart altogether from the conflicting ideologies—to the following factors: They pointed to Germany as the possible or probable disturber of the peace; the fact that, although these pacts had been formally incorporated within the framework of the League of Nations, the decision as to whether German aggression had occurred had been placed in the hands of France; the massing of vast power, which might be abused, and finally the building up of an avalanche of war which, at the slightest impulse and, it might be, contrary to or without the intention of the leading statesmen, could come crashing down upon us. During a short visit to Berlin, I said, in every Government office I entered, every conversation I had started with the phrase "Czechoslovakia is the aircraft carrier of Soviet Russia". In the press and in private conversations the fear was repeatedly expressed that Czechoslovakia was making ready airfields for the Russian Air Force and was building factories for the repair of Russian aircraft, and that a Russian squadron was already stationed here. Beneš did not contradict my initial argument above referred to, nor did he deny that the phrase "aircraft carrier" had first been coined by the Czech press and had only later been taken up by the foreign press; but that, he said, had been a "sondage" [sounding]—a try-out for which he had not fallen. Hitherto the Czech military circles had always deferred to his view. He could, he said, have obtained a military agreement and he could also have obtained a guarantee [*Sicherung*] against Poland. He had rejected both and he would always reject military treaties. He had no such treaties, and there were no arrangements between the Russian and Czechoslovak General Staffs. No airfield had been constructed for the Russians, no factories had been built for them, and there were no Russian military aircraft in Czechoslovakia; nor, indeed, would he ever countenance anything of that kind. He would like to tell me, quite "brutally", the reason why: simply because he was not such a fool; for, assuming that it should come to a conflict, what would be Czechoslovakia's moral situation, if she had allowed herself to become a Russian *place d'armes*?

Finally M. Beneš turned to the question of the *Anschluss*. He said it was obvious that Czechoslovakia would feel "more comfortable and more at ease" if Germany and Austria remained as separate States. And for this reason he had been opposed to the *Anschluss* and still was opposed to it. On the other hand, Germany and Austria formed one cultural entity, and any policy which sought to use Austria as an instrument against Germany was stupid and foredoomed to failure. Czechoslovakia, however, was not the only country to which the *Anschluss* question was of interest, and alone she was certainly in no position to prevent it. If the union of Germany and Austria came about, then on the periphery of the thus constituted Greater German territory would lie all those newly arisen or reshaped post-war States which required a half century of undisturbed development in order to become really consolidated. If the *Anschluss* came about, the existence or the internal cohesion of these countries would be menaced. They must be given time to become consolidated. Any disturbance there carried with it the danger of a European convulsion. The phrase attributed to him — '*L'Anschluss c'est la guerre*' [the *Anschluss* means war]—he had never used, but it was for fear of the possibility of war that all countries, not only France but also Britain, and also Italy, Yugoslavia and Rumania, and even Hungary, were against the *Anschluss*. He knew full well that now one and now another of these countries appeared to adopt a different attitude to the *Anschluss*; but we should harbour no illusions on the subject; as long as there were others ready to pull the chestnuts out of the fire for them, many people remained unwilling to display their real attitude; that, however, did not of itself make any difference to the fact of their attitude.

In reply, I told M. Beneš that no one could foresee how things would develop in Austria. If, however, these developments were to bring union with the German Reich nearer, then, firstly, we, too, had the right, which was not exclusively confined to other nations, to realize our national fulfilment and consolidation, and, furthermore, it would then be the task of a common political endeavour so to shape this process as to ensure that it could lead to no disturbance of the peace of Europe. I asked him not to forget that it was the habit of all peoples to repay with bitter enmity any attempt to prevent their national unification, but that hitherto those countries which had helped others to attain their national ideals had always been able to count with certainty on prolonged gratitude. Though he was, and always had been, an opponent of the *Anschluss*, I should like to think that he would not always remain one. Finally Beneš put a "question to be answered by the German conscience", whether at bottom it would not be better for us if Austria, bound to us by ties of friendship, culturally one with us, supporting us in foreign policy, were yet to remain a separate sovereign State. He added that he was against any

kind of Danubian Federation, for that would simply lead to a stupid attempt to use Austria as a political pawn against Germany. It is possible that in saying this Beneš wished to dissociate himself from the Danubian plans of his Minister President, Hodža.

On November 26, 1935, the then Chargé d'Affaires, Freiherr von Stein, reported⁴ on a conversation he had had with Beneš, in which the latter had likewise asserted that he would welcome a *détente* between Germany and France and that in his opinion it was only a matter of time before a fresh *rapprochement* between Germany and Russia took place. In the same conversation Beneš had not denied that there was a constant exchange of visits of Russian officers to Czechoslovakia and Czechoslovak officers to Russia. It emerges from a report dated September 23 last year⁵ that Secretary of State Krofta told Herr von Stein that the building of airfields in excess of [Czechoslovak] requirements was a counter-measure against rumours of a German and Polish threat. Further details of Czecho-Russian plans were already contained in this Legation's secret report (A III. 1b. 27) of August 13⁶ last year. Unless Czech policy has meanwhile undergone a radical transformation, these things can only be reconciled with M. Beneš' present statements if one allows wide latitude for the manifold techniques of military cooperation.

If I were asked whether Beneš had some definite reason for choosing this precise moment to make so long a statement to me, I should say that I presumed that it was because he did not agree with Hodža's policy, did not believe it would succeed and was hoping that in this way he might be able to counteract in some measure the unfavourable impression made upon Germany by Hodža's Danubian plans and the interviews he gave in Paris.⁷ Conclusions as to whether Beneš really desires an improvement in the atmosphere can quickly be drawn, according as any change can be observed in the handling of individual problems.⁸

EISENLOHR

⁴ Document No. 429.

⁵ In despatch A III 2 (9146/E643301-04).

⁶ Not printed (8809/E613680-81).

⁷ In the despatch cited in footnote 2 above, Hodža was reported as denying statements hostile to Germany attributed to him by journalists in Paris. See also document No. 593.

⁸ Marginal notes: (i) "[For the] R[eich] C[hancellor]. Beneš is lying as usual. v. N[eurath], Feb. 26." (ii) "The Reich Chancellor is informed. L[ammers], Feb. 27." An attached minute in an unidentified handwriting and dated Mar. 5 (9147/E643537), which bears a note by Adolf v. Bülow stating that it represents the view of the Intelligence Department [*Abw. Abt.*] of the War Ministry, reads: "1) The numerous visits of Russian officers to Czechoslovakia and vice versa are confirmed from various sources. In some cases the names of these officers were reported at the time. 2) The expansion of Czech airfields is confirmed. Whether more fields than [required] for Czechia [*sic*] are being prepared cannot really be judged.

"In my view Fr[eiherr] v. Stein is right (page 10) [i.e., the penultimate paragraph of the document here printed].

"Beneš knows that in any kind of conflict things will go badly for Czechia in the early days and weeks; this he undoubtedly wants to avoid by a cautious policy."

No. 581

9590/E676260-63

Memorandum by the Foreign Minister

BERLIN, February 24, 1936.

RM 144.

II Balk. 494 R.

The Rumanian Minister called on me today upon his return to Berlin. He started by saying that he had not only been in Rumania where he had had conversations with Rumanian Ministers, but also in Switzerland when he had had the opportunity of speaking to leading British and French politicians. Finally he had been called to Paris, where he met Titulescu and King Carol. As a result of all these conversations, he had been instructed to make the following statement:

The report that the Rumanian Government were on the point of concluding a pact of mutual assistance with the Russians was not correct. Nor had any discussions about such a pact taken place. But should Rumania in future, by force of circumstances, find herself compelled to conclude such a pact, then neither the King nor any Rumanian Government would give their consent to Rumania's affording passage through her territory for Russian forces.

The Minister then returned to his old proposals that we should use the good offices of Titulescu and the Rumanian Government as intermediaries in our negotiations and discussions with the Great Powers. M. Comnen told a touching tale about the necessity of our returning to the League of Nations and, as he expressed it, to the comity of peoples, and offered to be of assistance to us in the matter. I thanked him for his kind intentions, but regretted that I could not make use of his offer.

Then M. Comnen declared that all reports implying that Rumania wished to conclude any treaties with the other Danubian States, without German participation, were incorrect. In Bucharest, he said, it was fully realized that relations in the Danubian Region could not be settled without Germany.

I told M. Comnen that, in view of the somewhat grandiloquent statements by the Czech Prime Minister, Hodža, on the allegedly imminent integration [*Zusammenschluss*] of the Danubian States, we had had the attention of the various capitals drawn to the fact that it would scarcely be in their interests to conclude agreements without Germany who was, after all, still the biggest customer for the products of the Danubian countries.¹

Next, M. Comnen declared that he had been instructed to inform us that Rumania together with the other two members of the Little Entente rejected, as hitherto, any restoration of the Habsburgs.

¹ See documents Nos. 558, 559 and 560.

The Minister then tried to give some explanation for the solemn assurance given by King Carol in Paris that Rumanian forces would be found side by side with the French Army. M. Comnen tried to interpret this statement as meaning that Britain and France had wished to assign to the States of the Little Entente a kind of police rôle in Central Europe, should the question arise of the *Anschluss* of Austria with Germany. Both King Carol and Prince Paul of Yugoslavia had protested against this shifting of responsibility and had declared that they would set their armed forces in motion only after France had shown that she considered military intervention to be necessary.

For the rest, M. Comnen professed to be greatly disturbed by the spirit of hostility and irritation against Germany which he had observed both in Paris and in British circles. There was, he said, particular uneasiness over the fact that we refused to cooperate in the international sphere and maintained so reserved an attitude with regard to the various burning political questions of the day. Surely it was incumbent upon us to state frankly the conditions upon which we would be prepared to return to the League of Nations? Rumania would be ready at all times to be of assistance to us in this matter.

I merely replied that the time had not yet come for us to return to the League of Nations. Further, it was incorrect to assert, I said, that we held aloof from international cooperation. In any case, hitherto we had only been asked to contribute sacrifices.²

FRHR. V. NEURATH

² In a despatch dated Feb. 28 (9590/E676264-69), copied to the principal European Missions, the Legation in Bucharest were informed of the main points of this conversation and instructed that, since Comnen's statement still left open the possibility of Rumania in certain circumstances concluding a mutual assistance pact with Russia, and such a pact could only be regarded as directed against Poland and Germany, with Germany, though unnamed, as the hypothetical aggressor, it would be impossible to regard such a pact otherwise than as directed against Germany.

No. 582

9588/E675957-58

Memorandum by the Foreign Minister

BERLIN, February 24, 1936.

RM 145.

II Balk. 484 R.

When M. Comnen called on me today¹ he turned the conversation to the question of the visit of the Rumanian politician, Brătianu. He complained that M. Brătianu had been received here² without his having first approached the Rumanian Legation in the matter.

I replied that M. Brătianu was a personal acquaintance of mine of

¹ See also document No. 581.

² See document No. 514.

long standing and as such had approached me directly and had said that he would like to see me while he was in Berlin giving a lecture. I saw no reason, I said, to refuse him. And in any case he, M. Comnen, had not even been in Berlin at the time.

M. Comnen then drew from his pocket a statement which M. Brătianu had published in his newspaper in Bucharest after his visits to Minister President Göring and myself. With the object of enhancing his personal prestige with his own party, M. Brătianu had published the observations I had made on our attitude towards Hungarian revisionist aspirations in a strongly negative form [*stark negativ wiedergegeben*].

I told M. Comnen that our attitude towards Hungarian revisionist aspirations had not changed since our conversation of a year ago,³ that is to say that, while we would not actively support Hungarian revisionist plans by force of arms, we fully sympathized with Hungary's endeavours to obtain a revision of the Peace Treaty, as we were doing ourselves in respect of the Versailles Treaty. Indeed, Minister President Göring, as he had told me immediately after M. Brătianu's visit, had expressed himself in similar terms.⁴

FRHR. V. NEURATH

³ Presumably a reference to the conversation of Dec. 10, 1934; see vol. III of this Series, document No. 387.

⁴ No record of this conversation has been found.

No. 583

5730/E415506

The Foreign Minister to the Embassy in Great Britain

Telegram

No. 13 of [February] 25

BERLIN, February 25, 1936—6:35 p.m.
[zu] III E 566.¹

For the Ambassador personally.

With reference to your telegram No. 18.¹

In your next conversation with Eden you should unobtrusively [and as a purely personal question]² sound him as to whether the British have meanwhile studied the subject further and have now formed a more concrete idea of a "Working Agreement".³

NEURATH

¹ Document No. 568.

² The passage in square brackets is scored through in the original.

³ In English in the original.

No. 584

2067/449221-23

Memorandum by Ministerialdirektor Dieckhoff

[BERLIN,] February 25, 1936.

e.o. II M 768 g.

1. The question put to us by the British Government¹ refers exclusively to what attitude we are adopting to the decisions so far reached by the London Naval Conference, which have been communicated to us confidentially. The reply to this question is, precisely in the present circumstances, of quite outstanding significance from the point of view of general policy.

2. It appears for political reasons to be imperative that our reply² should be couched in the most positive terms possible. For this reason it would also be advisable for the reply to begin with a statement of a general character, expressing our positive attitude, and only then to go on to the special observations on individual points.

3. It is necessary to advise against making any reference in our reply to the validity of the provisions of Versailles.³ For us the question is settled. If we now pose the request that the other Powers recognize our attitude, be it only in respect of the navy and for a period of five years, we shall be indirectly admitting that internationally the question is still open. If the other side were perhaps to cause the Versailles question to come up in some form, for example, in the form of a French reservation, a new situation would arise, and we should be compelled to define our attitude; but as long as this is not the case, it is not in Germany's interests to broach the question.

4. For us to make our agreement in principle dependent on the unreserved accession of the Soviet Union, appears to be entirely suitable, from the point of view of foreign policy likewise.

5. It would appear advisable, in defining our attitude to individual points, to make a clear distinction between the provisions of the general naval agreement and our attitude to the repercussions that

¹ See document No. 555.

² A draft reply prepared in the War Ministry [Naval Command] (2067/449209-14) and discussed there with Ribbentrop had been drawn to the attention of the Foreign Minister by Kamphoevener in a memorandum of Feb. 24 (2067/449208). He reported that this draft was to form the basis for a discussion, apparently fixed for the morning of Feb. 25, between the Führer, Blomberg, Raeder and Ribbentrop, and that, at first sight, it did not appear to be very felicitously phrased. In a second memorandum dated Feb. 25 (2067/449215-17) Kamphoevener described the draft as unsuitable as a communication to the British Government; the substance of the points which he raised is contained in the document here printed. For the text of the reply finally sent on Feb. 25 see document No. 585.

³ The draft reply, cited in footnote 2 above, contained, as point 2, the following stipulation: "Germany will only accede to the Treaty if the Parties to the Treaty recognize unreservedly that the provisions of this treaty and those of the German-British Naval Agreement replace the naval provisions of the Versailles Treaty and that in future no reference is to be made to these provisions of the Versailles Treaty . . ."

our accession may have on the German-British Naval Agreement. These repercussions concern only ourselves and the British and should not be allowed to come up at all in the general negotiations.

6. It is not advisable for us to raise questions which are not necessary and which are only designed *a priori* to prevent possible doubts. We can and must proceed from the basis that, in respect of all points where we are not expressly bound by the Naval Agreement, we naturally possess freedom of action.

7. For this reason it would, as already remarked above, be advisable for our reply as a whole to be couched in terms of our being basically in agreement and having only a few special observations to make.

8. As far as outward procedure is concerned, it does not make any great difference which of the two alternatives proposed by Craigie we choose. As, however, the British have clearly proposed the first alternative so as to avoid suggesting that we sign an already completed treaty, worked out by the others, we should do well to express ourselves in favour of the first alternative.

D[IECKHOFF]

No. 585

2067/449224-27

The Foreign Minister to the Embassy in Great Britain

Telegram

URGENT
No. 14

BERLIN, February 25, 1936—9:15 p.m.
e.o. II M 769 g.

With reference to your telegram No. 14 of February 12.¹

You should communicate to Under Secretary of State Craigie the following statement of the German Government's views on the treaty drafts which have been communicated to them.

The German Government have examined the draft texts communicated on February 12, 1936,² namely, the draft text of a "Treaty on Advance Notification and Exchange of Information" together with the Supplementary Report, Annex II, which was likewise communicated, and the "Schedule of Lowest Qualitative Limits". They are in principle prepared to accede to a naval treaty valid as from January 1, 1937, and concluded on the basis of these texts. As regards ships laid down prior to December 31, 1936, the German-British Naval Agreement of June 18, 1935, is accordingly exclusively applicable. The German Government must, however, make their concurrence in the future naval treaty dependent on the treaty being applicable in the same manner to all Signatory States, and on the principle maritime Powers, including in particular the USSR too, adhering to it.

¹ Document No. 555.

² See *ibid.*, footnote 1.

On these conditions, the German Government are agreeable that, after prior agreement regarding the points still unsettled, the treaty shall be adopted by the Powers taking part in the present London Naval Conference, and that afterwards these Powers shall invite Germany and the other maritime Powers to accede to the treaty.

The German Government beg to make the following observations on the details of the drafts:

(1) They agree in principle to the draft text of the treaty on advance notification and exchange of information together with the Supplementary Report. But in so doing they assume, however, that Article III of this draft and/or Article IIIc of the Supplementary Report do not affect the validity of Article VI of Convention No. 13 of the Second Hague Conference of October 18, 1907, respecting the Rights and Duties of Neutral Powers in Maritime War.³

(2) Annex II, Definitions and Age Limits.

Re No. I: Standard Displacement.

The text is agreed.

Re No. II: Categories.

The German Government agree to the definitions of categories. They would, however, make the following observations by reference to the German-British Naval Agreement:

(a) Under the German-British Naval Agreement, No. 2 (a), only the naval forces then "defined by treaty" were limited in a quantitative sense, that is to say:

Capital ships, aircraft carriers, "A" cruisers, "B" cruisers, destroyers and submarines.

The above categories are comprised in the draft of the new naval treaty in Nos. II, 1, 2, 3 and 7. The German Government agree without reservation to the said items.

In Nos. II, 4, 5 and 6, those ships are included which correspond to the "*exempt ships*"⁴ dealt with in Article 8 of the London Treaty of 1930.

No quantitative limitation was envisaged as regards these ships in the German-British Naval Agreement. Consequently in future, too, Germany will not be subject to quantitative limitation, that is to the ratio of 35 per cent to the corresponding British vessels, in respect of these ships.

(b) In Nos. II, 4 and 5, of the draft of the new naval treaty the surface combatant vessels of 600 tons standard displacement and below, which are referred to in the London Treaty of 1930 under Article 8a, are not specified. This is entirely understandable, since the four Powers which have drawn up the draft treaty under examination are not bound quantitatively and vessels which would have fallen

³ For the text of this Convention see *B.F.S.P.*, vol. 100, pp. 448-454. Article VI prohibited the supply of armaments by neutral Powers to belligerent Powers.

⁴ In English in the original.

under Article 8a of the London Treaty can be constructed by them and charged to the tonnage of the other light surface vessels.

Germany, on the other hand, is the sole maritime Power to be quantitatively restricted, and that by the German-British Naval Agreement. The German Government must therefore stipulate that the building possibilities which were afforded to Germany with the conclusion of the German-British Naval Agreement, as regards war-ships, in accordance with Article 8a of the London Treaty, shall be maintained for the future also.

Re No. III:

Re (a) the German Government feel obliged, on the signature of the treaty, to except from their concurrence No. III (a), "Over-Age of Capital Ships". They consider an increase of the age of German capital ships to 26 years to be unreasonable, since in virtue of the quantitative limitation of Germany very different conditions obtain for the replacement of capital ships than in the case of all the other maritime Powers which are no longer quantitatively bound.

They therefore propose to His Britannic Majesty's Government that this point should form the subject of a special agreement between both Governments, and they regard an age-limit of 20 years to be appropriate for German capital ships.

(3) Schedule of Lowest Qualitative Limits.

Germany agrees to the proposed qualitative limitations, although the German Government would have preferred a smaller standard displacement for capital ships.

As regards the "A" cruiser category the German Government are ready, as was agreed on the occasion of the German-British naval conversations, to accept a building holiday for the duration of the treaty. Germany will utilize otherwise the remaining tonnage of 21,380 left to her in this category, and the nature of the transfer can form the subject of a later discussion between the two Governments.

NEURATH⁵

⁵ The document also bears the initial R[ibbentrop]. See also document No. 584.

No. 586

6114/E454551-53

Memorandum by Ministerialdirektor Dieckhoff

BERLIN, February 25, 1936.

[zu] II Oe. 587.¹

As Herr v. Papen reported on February 22,¹ the Austrian Federal

¹ In this despatch, A 1125 (6114/E454571-78), Papen recorded a conversation with Schuschnigg, on whom he had called to deliver a protest against the attitude of the Austrian press and failure of the Austrian Government to lift the ban on Austrian athletes competing in Germany, as being contrary to the agreement of August 28, 1935, following which the question of how to improve German-Austrian relations had once again been discussed.

Chancellor has made the following proposal to him: "Would it not be possible to have published a declaration in similar terms by a high authority in both countries, saying that the protection of the common German interests, which are endangered, makes it appear desirable to set aside the internal strife and rid polemics of it [*sic*], in order to work more usefully than hitherto for our common interests within the framework of European politics. Such a declaration would have the effect of diminishing tension and it would then be possible to make a start on the removal of individual measures."

The following comments may be offered:

(1) Basically one may agree with Herr v. Papen that, in the interests of foreign policy, it would be welcome should it prove possible, by managing to get rid at least temporarily of the Austrian problem, to ease our political situation. On the other hand, the chances of reaching an understanding on acceptable terms with the present Austrian Government must still continue to be viewed sceptically. So far, there are no reliable signs that the Austrian Government are disposed to relinquish their previous attitude of combating National Socialism in Austria and to adopt those measures which are indispensable for a relaxation of tension with Austria. On the contrary, the attitude most recently adopted by the Austrian Government leads more readily to the conclusion that the prevailing disagreements are still too great to be bridged over with success. Nevertheless, it hardly appears advisable to reject Schuschnigg's suggestion out of hand, all the more so since we should thus easily lay ourselves open to the charge that we had refused the proffered hand of reconciliation, and it is to our interest to get into conversation with Schuschnigg too.

(2) With regard to the formula Schuschnigg has proposed, it is quite conceivable that within this, or a similar, framework and under the slogan of a common front against Bolshevism, we could embark on finding a *modus vivendi* with Austria. The weak point—and it is the decisive point—is that the formula says nothing about the practical measures which would be necessary for the internal strife to be successfully stopped on both sides. It is clear that unless such measures were to be previously agreed upon—and they would, in the first place, have to include stopping the persecution of the Austrian National Socialists—Schuschnigg's formula would remain a dead letter. Therefore, before we define our attitude to the formula, Schuschnigg would have to make more plain the measures he is envisaging.

(3) Should we wish to take up Schuschnigg's formula, then from the point of view of tactics we have two alternatives:

(a) We await the conversations which Mussolini envisages having with the Austrian statesmen and in which he has been intending to use his influence in favour of an understanding between us and Austria.

(b) We give our reply in advance of these conversations. The

latter course would have the advantage that we should be throwing the ball back to Schuschnigg at once. At the same time, this would be making it more difficult for the Austrians, in the conversations with Mussolini, to produce an inadequate formula. Finally, we would have taken up the threads not only with Starhemberg, but also with Schuschnigg who is certainly a more amenable personality.

Herewith submitted to the Foreign Minister with the request for a decision.²

DIECKHOFF

² Marginal notes: (i) "In my opinion we should ask Herr Lammers what the Führer's reaction was to Papen's report. B[ülow], Feb. 26." [The Reich Chancellery copy of Papen's report has not been found.] (ii) "Submitted to the Foreign Minister. K[otze]." Kotze first initialled the document here printed on Feb. 26, and marked it for resubmission on Feb. 27 and 28. No record of a decision by Neurath has been found.

No. 587

6097/E451861-67

The Minister in Switzerland to the Foreign Ministry

A 471

BERNE, February 25, 1936.

Received March 3.

II Sz. 296.

Subject: Germans in Switzerland and their relations with the Third Reich.

National Socialism and the fundamental Swiss conception of the nature of a political community are two irreconcilable opposites. The principle of the authoritarian State, conditioned by race, is one which fatally endangers Switzerland as a political entity and the Swiss reject it accordingly. The German National Socialist feels an outsider in almost all circles of Swiss society. The nearer his profession brings him to intellectual circles in Swiss political life, the stronger becomes this feeling of incompatibility. If the German in Switzerland is not quite sure of his own convictions and of his spiritual association with the Third Reich, then he will easily succumb to local influences and be lost to his native land.

It is, therefore, perhaps permissible to ask, in theory at least, what advantages accrue to the Third Reich from having some 100,000 Germans living in Switzerland, and whether a clear partition ought not to be made. Would it not be logical definitely to divide Germans from Swiss, that is, to try to detach them from each other completely in the field of art and literature, schools and universities, travel, and policy concerning foreigners and settlement, and put up with the resulting economic and political repercussions?

Against such a course the following objections come to mind: Politically, we lost Switzerland three hundred years ago. Today she

is still neutral, at least in military respects. She could swing over even more decidedly to the side of our adversaries. Up to a certain point cultural ties should always be assessed at their political value as well. Two and a half per cent of the population of Switzerland are Germans; only 1/16th per cent of the population of Germany are Swiss. Our trade with Switzerland shows a large favourable balance, after Holland the largest of Germany's entire foreign trade. All this does not encourage a policy of breaking away from this neighbour.

Of this Switzerland is well aware. She knows exactly where she holds the advantage. Spurred on by the applause of the anti-German international clique and by her own public opinion, Switzerland could easily be led into loosening the cultural bonds on either side and into a lessening of our political and trade relations. But for Switzerland the end results of such a policy must cause her to feel concern for her neutrality in case of war. Instinctively, therefore, Government circles do not feel inclined to such a trial of strength which would do fundamental damage to both parties to the advantage of some *tertius gaudens*.

Thus, while on the one hand National Socialism will never become popular in Switzerland, on the other hand, attempts to break loose from each other would merely harm both countries. In other words, while neither a love match nor a divorce can be envisaged, the only solution is the finding of some *modus vivendi* within which the work described below can be accomplished, that is our work among the Reich Germans living in Switzerland.

The tragic event in Davos with its present consequences has raised anew the problem of our work among the Reich Germans in Switzerland. Unfortunately it cannot be denied that of the approximately 100,000 Reich subjects at present in Switzerland a very large number are still adopting a temporizing or even negative attitude towards the Third Reich. One must reckon with the possibility that in a crisis—and it is only that which affords a real test of a person's convictions—that is to say, in the event of a war today in which Germany was involved, a large percentage of the Germans in Switzerland fit to bear arms would try to avoid military service. Switzerland has always been, as she was in 1914–1918, the haven of refuge for persons deserting or defaulting on conscientious and personal grounds. Apart from this experience in general, however, is the fact that today in important German circles in Switzerland spiritual unity with the new Germany is lacking and consequently there is no willingness to make an extreme personal effort for the Third Reich.

This regrettable fact does not, however, imply that the propaganda work already done among Germans in Switzerland has been in vain. The ground that must be tilled here is hard and stony. The bond between Germans and Swiss through culture and language, trade and

travel, friendship and kinship, is far too close, but at the same time Switzerland's fear of National Socialist Germany is far too great, for very rapid progress to be made in such a field of tension.

According to the attitude which they adopt towards the Third Reich, one can distinguish throughout all social levels three main groups among the Germans in Switzerland:

Group I: consisting of those Germans who have, at an earlier date, or who have during the last three years, embraced National Socialism;

Group II: comprising those Reich subjects who definitely feel that they are German but who, for various reasons, outwardly or inwardly give but hesitating assent to the Third Reich; and finally,

Group III: a medley of Reich subjects who reject the Third Reich and whose remaining link with Germany is at most their certificate of national origin and passport.

This classification does not, of course, fit everybody. Not every German in Switzerland can be definitely assigned to one or other of the above categories. The outward demeanour of the individual, whether he remains silent and reserved or noisily holds forth, does not permit a definite conclusion to be drawn as to his real feelings. The work of propaganda for the Third Reich can and must, however, take these three groups into account if it is to be used in the right place and with success.

Propaganda, as it has been carried out during the last three years, has covered almost the whole of Group I. It is estimated that 3 per cent of the Germans in Switzerland are now Party members. To these belong a certain number of tacit partisans who do not proclaim themselves as such. Recruiting among this group can be regarded as finished.

It might perhaps be considered most urgent for influence to be brought to bear on Group III. This, however, cannot be done *en masse*, but should proceed rather as opportunity offers, and individually.

There remains Group II. It is the most comprehensive. It already provides a large contingent of visitors to Fatherland celebrations and festivities. In it may be found those whose sense of belonging to the German community, while not very active, still makes them wish to stand by their native land. From it most of the members of the *Opferring*¹ are to be recruited. Those from this group who go to Germany for the elections vote for the Third Reich. From it are recruited the bulk of those fit to bear arms who in case of war would hurry home and flock to the colours without hesitation. They accept things as a whole but are inclined to criticism and scepticism on particular points. This, then, is where pressure must be applied.

¹ *Lit.* "Circle of those making offerings", i.e., contributions to National Socialist activities. The full title of this organization was *Opferring der Landesgruppe Schweiz der NSDAP*; it was founded by the *Landesgruppe Schweiz der NSDAP* as an organization for potential Party members at a time when there was a ban on new recruits.

One cannot deny that basically this type is well-intentioned and one therefore needs to discover the particular conditions under which he lives and how he can best be influenced. The main points of difference from conditions in the Homeland are the following:

(1) Professing oneself a believer in the Third Reich is, inside Germany, naturally unhampered and acknowledged. Abroad, it is restricted by the laws and customs of the host country. It can very easily lead to difficulties, ostracism and attack. Demonstrative professions are often incompatible with a given person's trade or occupation.

(2) Inside Germany, there stands behind persuasion compulsion if required. Abroad, resistance can mostly only be overcome by persuasion. For this reason the system of propaganda used at home can be applied only to a limited extent abroad.

(3) At home in Germany methods can be tried out and, if need be, altered without doing damage. Abroad, opponents exploit every weak point and precipitate themselves into any breach that may appear.

(4) Work abroad, and particularly in those countries which are antagonistic to us, must be carefully adapted to local conditions. The aim and object of this work must be unambiguous, namely, so to influence the German abroad that—even if he sometimes feels inclined to criticize and grumble—he supports the Third Reich in word and deed. Whether he does this as a Party member or not should be regarded as a secondary consideration.²

As regards work in Switzerland, the following is also worthy of particular attention:

(5) The more normal general relations between Germany and Switzerland become, the more unconcerned the German in Switzerland will be able to feel and appear as an adherent of the Third Reich. The more the fears of pan-Germanism, which are so widespread in Switzerland, die down, the less nourishment they derive from Germany, and the less Switzerland fears encroachment on her territorial and cultural domains, the easier will it become to do successful work among the Germans on behalf of the Third Reich.

On the other hand, the more unobtrusively work among the Germans in Switzerland is carried on and the more it spares Swiss susceptibilities by recognizing the laws and peculiarities of this country, the more easily will German-Swiss relations return to normal. This work ought not therefore to be carried on less intensively, but rather the reverse.

(6) Thus, there is a close connection between good German-Swiss

² Footnote in the original: "It may be of interest to note, as a parallel, that today, i.e., 13 years after the March on Rome, 12 per cent of the Italians in Switzerland are members of Fascist organizations."

relations and successful work among the Germans living in Switzerland. The two can and must help each other. It is essential that there should be coordination and agreement between German and Swiss policy in general—cultural and economic policy, settlement and military policy—and the work being carried on among the German colony in Switzerland. This work must not be left floating in the air. It is a section of general policy. It requires to be directed by general policy and will then, in turn, be able to support general policy.

(7) This is not the place to draw detailed conclusions concerning the work amongst the Germans in Switzerland. These conclusions will emerge of their own accord as soon as the obvious prerequisites, in respect of organization and personnel, have been met.³

WEIZSÄCKER

³ A minute on a separate sheet (8554/E598557-58) reads: "I should like to send a copy of this report to the Führer's Deputy, drawing his attention to the noteworthy observations which it contains and which are also applicable to other countries. v. N[eurath], Mar. 6." A copy of the report was sent to Hess under cover of a letter by Neurath dated Mar. 11 (8554/E598559). Copies were also sent to the principal diplomatic Missions and to the Ministries of the Interior and Propaganda on Mar. 18 (8554/E598560-63).

No. 588

6567/E490403-04

The Embassy in Japan to the Foreign Ministry

Telegram

No. 43 of February 26

Tokyo, February 26, 1936—9:15 p.m.

Received February 26—4:00 p.m.

Early this morning in Tokyo there was a rising by military activists, which has led to the assassination of many Ministers and of Elder Statesmen standing close to the throne. Presumed dead are the Prime Minister, Okada,¹ the Finance Minister, Takahashi,² the Lord Keeper of the Privy Seal, Viscount Saito,³ the Grand Chamberlain, Admiral Suzuki,⁴ the Chief of Military Training, General Watanabe;⁵ and apparently also Director General Ikeda⁶ of the Mitsui concern.

(2) Newspaper printing works and police and post office headquarters are occupied by the rebels. There is a strict ban on internal and

¹ Admiral Okada Keisuke, Prime Minister since July 1934, succeeded in escaping with his life during the rising.

² Takahashi Korekiyo, Finance Minister, December 1931–July 1934; reappointed in November 1934; was assassinated in his home on Feb. 26.

³ Admiral Makoto Saito had resigned the Premiership on July 3, 1934, and became Lord Keeper of the Privy Seal in December 1935; was assassinated in his home on Feb. 26.

⁴ Admiral Baron Suzuki Kantaro, was attacked and seriously injured during the rising but survived.

⁵ General Watanabe Jotaro, appointed Inspector General of Military Training in July 1935 in succession to Mazaki (see footnote 10 below).

⁶ Ikeda Seihin, succeeded in escaping assassination.

external communications. Banks, stock exchanges and schools are closed. The Government quarter [of the city], including the German Embassy, is strictly cordoned off by the rebels, so that communication with the outside world is only possible by telephone. Otherwise all is quiet; there have been no clashes.

(3) The rump Cabinet, together with General Araki⁷ and some of the Princes, has assembled and is in continuous conference with the Emperor in his palace. Osumi,⁸ who has hitherto been Navy Minister, is said to have been appointed Prime Minister. Beyond this, negotiations are believed to be pending at the moment between the insurgents' leaders and the loyal military commanders; on their outcome will depend whether the rebels will evacuate the Government buildings or whether matters will come to armed intervention by the Army. The rebels are thought to be in a minority but the leaders of the Army apparently wish to exhaust all possibilities of negotiation before resorting to force.

(4) The rising is a volcanic eruption of the long-standing unrest amongst Staff Officers, which had already been expressed some months ago in the murder of General Nagata.⁹ Tension has been heightened by the trial, at present in progress, of his murderer, which reached a sensational climax in yesterday's calling in evidence of the former Chief of Military Training, General Masaki.¹⁰

(5) According to the latest reports, the Home Minister, Goto,¹¹ has become Prime Minister.

NOEBEL¹²

⁷ General Baron Araki Sadao, member of the Supreme War Council, had resigned from his post as Minister of War in January 1934.

⁸ Admiral Osumi Mineo, Minister of Marine since 1931 except for an interval in 1932 when Admiral Okada held the post.

⁹ Major General Nagata Tetsuzan, assassinated in the Ministry of War on Aug. 12, 1935, by an army officer, Lt. Col. Aizawa Saburo, whose court martial was in progress in the barracks of the 1st Division. In his despatch, cited in footnote 12 below, Dirksen gave it as his view that the announcement that the 1st Division was to be transferred to Manchukuo, together with the inflammatory methods adopted by the defence during the Aizawa court martial, were the immediate causes of the outbreak on Feb. 26.

¹⁰ General Masaki Jinsu Buro, resigned as Inspector General of Military Training in July 1935 when he was appointed to the Supreme War Council; his loss of the Inspector Generalship had led to the assassination of General Nagata, according to the report by the Military Attaché of Oct. 28, 1935, cited in footnote 12 below.

¹¹ Goto Fumio, Home Minister 1934-1936.

¹² Dirksen was absent from Tokio but telegraphed on Feb. 26 (6567/E490410) that he proposed to return there at once. In despatch No. 867 of Mar. 3, he gave a detailed account of the causes and effects of the mutiny and enclosed a memorandum by Noebel giving a chronological account of events as seen from the Embassy from Feb. 26 to 29, together with a sketch map of the Government quarter of the city, and the texts of the Japanese Government announcement and the Foreign Ministry statement, both made on Mar. 3 (8886/E620960-88).

In reviewing the causes of the mutiny and of Army unrest, Dirksen cited information supplied in the Embassy's despatch No. 2461 of Oct. 31, 1931 (M216/M006971-86), following the Manchurian incident; in a report by the Military Attaché dated Oct. 29, 1935 (5703/E414057-62), following the murder of General Nagata and the resignation of the War Minister, Hayashi; and in the Embassy's annual report, dated Jan. 12, 1936 (M216/M007080-99). Further reports on this subject have been filmed on Serial 6567.

No. 589

2067/449229-32

The Ambassador in Great Britain to the Foreign Ministry

Airgram en clair

VERY URGENT

No. 25 of February 26

LONDON, February 26, 1936.

Received February 27—9:20 a.m.

II M 797 g.

With reference to your telegrams Nos. 14¹ and 15².

A meeting took place at the Foreign Office today on the question of Germany's adherence to the naval agreement. On the British side Eden, Lord Monsell, the First Sea Lord, and Craigie took part, on the German side myself, the Counsellor of Embassy and the Naval Attaché. I had sent Prince Bismarck and Captain Wassner beforehand to explain in detail to Craigie (who was accompanied by Captain Danckwerts) our attitude as contained in your telegram No. 14.

In this preliminary discussion the technical claims which we put forward were sympathetically noted by the other side.

At the general meeting Craigie first commented upon the German position. Eden then explained that the proposal³ previously communicated to us by Craigie, viz. that Germany and the other naval Powers should adhere to a treaty which should have been previously accepted by the Conference Powers, had unfortunately meantime proved to be impracticable. The reason was the attitude of France, who, in wishing to abide by her principle of the inter-dependence of the various spheres of armaments, would only be prepared to sign a general treaty which Germany was likewise to sign provided that a far-reaching French reservation to this effect were included in the treaty. Such a reservation, Eden continued, would appreciably diminish the value of the treaty and would cause all sorts of other difficulties. (Apparently the Americans in particular do not wish to have anything to do with such a reservation.) The British Government were most anxious not to have this French reservation included. Being extremely anxious to reach a successful conclusion of the naval negotiations as soon as possible, they had decided to propose to us another method of procedure for Germany's adherence to the Naval Treaty. The proposed procedure was that we should conclude the agreement bilaterally with Britain, in which case France would withdraw her reservation. Simi-

¹ Document No. 585.

² This telegram (2067/449228) from Neurath reads: "In discussing the German attitude you should make a clear distinction between the points relevant only to the German-British agreement and those for which Britain must act as our spokesman with the Four Powers. We have restricted to the minimum our proposals as to amendments, in order not to impede the conclusion of the Four Power agreement, but in return expect Britain to be forthcoming in respect of points which have only to be settled between us."

³ See document No. 555.

larly the agreement between Britain and Russia should then also be concluded bilaterally. This, continued Eden, would naturally only be a provisional solution with the purpose of securing, in the course of this year, the formal conclusion of the treaty by all the naval Powers, including Germany, once the basic French objections had been overcome, as it might be expected they would be. Eden added that the British Government would undertake not to conclude the general agreement unless Germany were included.

I replied that the answer I had communicated today related to the proposals made to us by Craigie. It was asking a good deal of Germany to suggest that we should, so to speak, conclude a backstairs treaty with only one of the treaty Powers. Furthermore, the nature of the French reservation was not calculated to make the new proposal more palatable to us. I was therefore very doubtful whether the Reich Government would be willing to adopt the new method. I added an explanation of the technical claims we had put forward which again met with a sympathetic response. When Eden and Lord Monsell further insisted that Germany should, nonetheless, fall in with the proposal for concluding an Anglo-German agreement, and thus make it possible eventually to secure the vitally important naval agreement, I asked whether I might inform the Reich Government that our technical demands were likely to prove acceptable to Britain. I was expressly, although informally, empowered to do so.

When Prince Bismarck asked whether the conclusion of a German-British treaty would only be binding on our two countries, in respect, e.g., of the undertaking to exchange information, the answer was in the affirmative.

When I then asked whether it was correct that Italy too was opposing the conclusion of the treaty and making the lifting of sanctions a precondition, Eden replied that the decisive conversation with the Italians would take place tomorrow morning. Since, however, Italy had so far always been very helpful over the negotiations there was reason to hope that she would not refuse to sign.

At the negotiations we have gained the distinct impression that, if we are prepared to fall in with the British wishes and conclude a bilateral treaty, we shall be able to secure acceptance of all our claims, of which that about reducing the age limit of ships from 26 to 20 years might otherwise perhaps be difficult to obtain. Thus the naval negotiations would have been brought to a conclusion which covered our wishes. In these circumstances I share the Naval Attaché's view that we should fall in with the British suggestion, which hardly seems to involve any practical disadvantages. Since Russia too is to sign a treaty with Britain on a similar bilateral basis, there would be no special discrimination against Germany. On the other hand, bilateral signature with Britain, which in the last resort is a logical development

from our Naval Agreement of the spring [*sic*] and the fact that we should thus be making possible the conclusion of the naval treaty, might be of political advantage to German-British relations.

Hoesch

No. 590

8015/E576448

The Ambassador in Italy to the Foreign Ministry

CONFIDENTIAL

ROME, February 26, 1936.

1141

III O 1092.

Subject: Publication of the Maffey Report concerning British interests in Abyssinia.

Concerning the publication in the *Giornale d'Italia* (of February 20) of the Maffey Report on British interests in Abyssinia,¹ a member of the Embassy, when he called at the Foreign Ministry today, was informed by the Head of the Political Department that this publication had come as a complete surprise to the Palazzo Chigi. The Foreign Ministry realized that it had not been expedient, since the actual effect had run counter to that which it had been desired to obtain. Count Rogeri said that the report had presumably come into the hands of an Italian agent or some other person while the experts Patterson [*sic*] and St. Quentin² were holding conversations in Paris.

On the whole, the various statements tally with those of a confidant who is generally well informed. This confidant has, however, added that Suvich had been against publishing the report and that Mussolini had ordered that it should be published. The latter's object in so doing had been to produce proof, before the Committee of Eighteen met,³ that Italy did not wish to harm British interests in Abyssinia and that, in the judgement of leading British circles, she was not doing so.

HASSELL

¹ This publication had purported to give the contents, partly verbatim, partly in the form of a précis, of a confidential report made on June 18, 1935, to the British Government by an expert committee set up under the chairmanship of Sir John Maffey (Permanent Under Secretary for the Colonies) to enquire into British interests in Abyssinia. See also the statement by Eden on Feb. 24, 1936, in *Parl. Deb., H. of C.*, vol. 309, cols. 6-8, and Viscount Templewood: *Nine Troubled Years* (London, 1954), pp. 156-157.

² Maurice Peterson, Head of the Abyssinian Department of the Foreign Office, and R. Doynel de Saint-Quentin, Chief of the African Department at the Quai d'Orsay.

³ The Committee of Eighteen met on Mar. 2 to consider the report submitted on Feb. 12 by its Committee of Experts on the technical aspects of introducing an embargo on oil.

No. 591

5752/H039539-42

Ambassador Moltke to State Secretary Bülow

WARSAW, February 26, 1936.

IV Po. 1495.

DEAR HERR VON BÜLOW: I feel sure that it will interest you to hear a few details about Minister President Göring's visit.¹ The Minister President, who, as you know, is very popular here, was, as on previous visits, very warmly received, although the private nature of his visit was made quite clear. No official personalities attended the hunting party at Białowieża. The State President sent Army Inspector Fabrycy,² who was moved some time ago from Warsaw to Lwów and now plays no part in politics, to represent him.

On the day of his arrival in Warsaw, Herr Göring called on both the President and the Minister President. At Foreign Minister Beck's there was a luncheon attended only by a select few. In his conversations with these leading statesmen Herr Göring declared, in the name of the Führer and Chancellor, that any rumours that Germany intended to enter into closer relations with the Soviet Union were unfounded. Even Marshal Tukhachevsky, when on his way through Germany,³ had not been received, although he had clearly wanted to get in touch with military circles. The Führer and Chancellor had wished to prevent any doubts from arising about the policy of understanding towards Poland, to which he for his part was consistently and fully adhering.⁴ This declaration was received with obvious satisfaction. Minister President Göring further emphasized that some way of settling the Corridor debts question⁵ would have to be found. Finally, he endeavoured to weaken the impression made by Reich Minister Schacht's speech,⁶ which in fact did cause some alarm here and which revived the suspicion that our policy was a two-faced one.

While the hunt was in progress at Białowieża, Frau Göring stayed at the Embassy, and during this time she was several times the guest of

¹ No other account of Göring's visit to Poland, which took place Feb. 19-24, 1936, has been found in the files of the Foreign Ministry or Reich Chancellery. In a letter to Moltke of Feb. 17 (9172/E645311-12), under cover of which a copy of document No. 567 was sent to Warsaw, Roediger stated that Göring had requested information on various questions concerning German-Polish relations, which he [Roediger] would, at Bülow's desire, give to State Secretary Körner the following day.

² General Casimir Fabrycy, Inspector of Infantry of the Polish Army.

³ Tukhachevsky passed through Berlin on Jan. 26 on his way to London, where he attended the funeral of King George V on Jan. 28.

⁴ See also Szembek: *Journal*, pp. 162-163.

⁵ See also documents Nos. 528, 537, 551 and 567.

⁶ The reference is to a speech by Schacht on Jan. 28, 1936, at Beuthen, in Upper Silesia; in a memorandum of Jan. 30 (147/78395) Bülow recorded that Lipski had complained about certain phrases in this speech.

the Polish Foreign Minister and his wife, who, in return for their friendly reception at Reichenhall, did all they could to make Frau Göring's stay in Warsaw as pleasant as possible. Although it had originally not been intended that the Minister President should stay in Warsaw on his return journey, his programme was altered at the last moment so that a further large dinner party could be held at the Embassy. Since the invitations were sent out at very short notice, it was not possible to get any leading personalities other than the Foreign Minister to come and meet Herr Göring. It also unfortunately proved impossible to reach General Sosnkowski,⁷ an influential political figure whom Herr Göring especially wished to see again and who was originally to have taken part in the hunting at Białowieża. It has not yet been possible to ascertain whether the tour of inspection, which, as is stated here, could not be postponed, was the real reason why the General stayed away.

The trophies of the hunt were, unfortunately, few, although the Poles went to a great deal of trouble to flush a lynx or a wolf for the Minister President.

With best wishes,

Yours etc.,

MOLTKE

⁷ General of Division Kazimierz Sosnkowski, Army Inspector since 1927.

No. 592

701/261345-48

Memorandum by the Ambassador in Italy

ROME, February 26, 1936.

Suvich asked me to call on him today and showed me a memorandum (a page and a quarter of typescript in length) on my conversation with Mussolini.¹ He said that Mussolini had only said four words to him about this and had instructed him to draw up this memorandum and show it to me for revision. The memorandum said that the conversation had taken place in Suvich's presence. I drew his attention to this, whereupon he crossed it out and said it was a typist's error caused by the fact that such conversations usually took place in his presence. The contents of the memorandum related to three points:

I. To a question put by me as to what attitude Italy would adopt in case of a prolongation [*sic: Verlängerung*] of oil sanctions. To this Mussolini was stated to have replied that Italy would leave the League of Nations. I pointed out that question and answer had not only related to oil sanctions but to any intensification of sanctions; this Suvich amended accordingly. I then described our conversation as

¹ See document No. 579.

having naturally not taken the form of question and answer but of a fairly lengthy long discussion. Thus, for instance, over the question of a possible Italian withdrawal from the League of Nations, the Locarno Treaty had also been brought in and Mussolini had stated that with an Italian withdrawal from the League of Nations Locarno would disappear of its own accord. Suvich replied that legally that was scarcely tenable; we had ourselves signed Locarno without belonging to the League of Nations and, on the other hand, regarded Locarno as still valid although we had left the League of Nations. This I admitted but pointed out that

1) after leaving the League of Nations we had expressly proclaimed that we were abiding by Locarno, and

2) our legal position was not the same as Italy's.

To this last Suvich agreed. I then continued that, in this respect as indeed throughout the conversation as a whole, it had not been a matter of a legal discussion between two attorneys, and that what Mussolini must have meant to say was that, once Italy had left the League of Nations, the Locarno Treaty would in practice lose all significance for Italy. The sentence was then redrafted accordingly.

II. The memorandum then went on to give a substantially accurate account of the conversation about the Russian Pact, emphasizing especially that so far no decision had been taken on the German side and that Italy, whilst admittedly not in sympathy with the Pact, was not directly affected by it, so that Mussolini was reserving his decision as to what he would do should the case arise; thus Germany's attitude would of course be a very material factor. The memorandum then said that Mussolini had stated to me that he would not take up a position against [*keine Stellung nehmen gegen*] a German reaction to the ratification if confined within legitimate bounds. Hereupon I very strongly emphasised that Mussolini had said no word to me about this confinement "within legitimate bounds". Indeed, it was *a priori* scarcely conceivable since nobody knew what were legitimate bounds. My question to Mussolini, I said, had been whether I could assume that Italy would not take part in any form of proceedings by the remaining Locarno Powers against any reaction of whatever nature by Germany to the ratification. Suvich replied that, as he had said, he had only been very superficially informed by Mussolini; the addition "within legitimate bounds" had originated with himself and he had had no further thoughts in mind [*habe sich weiter nichts dabei gedacht*]. Thereupon the addition was struck out and the passage drafted in accordance with my explanation.

III. The third point in the memorandum concerned the impending Italian-Austrian-Hungarian tripartite meeting. Here it was said that I had remarked that this meeting could not be viewed as a very friendly act towards Germany, to which Mussolini had replied that the

meeting merely corresponded to the known motives of Italian policy, that, further, I was certainly well aware of Italian intransigence in respect of the independence of Austria, and that the object of the meeting was also a *mise à point* in face of the Czech attempt (which France was supporting) to draw Austria over to their side. To this [version] I stated that my remarks about the German reception of the tripartite meeting had not been made in such sharp tones; on the contrary, I had simply meant that, in view of previous happenings, there might *arise the impression* that it was a matter of a meeting directed against Germany. Mussolino for his part stressed—just as Suvich had recently done—that the situation had changed since the times to which I referred, particularly in that German-Italian relations had improved and, finally, that Italy desired a normalization of relations between Berlin and Vienna. Thereupon Suvich expanded the memorandum accordingly.

On my asking what purpose the memorandum was to serve, Suvich explained that it was only for internal [official] use; he would now resubmit it to Mussolini in its amended form and then send me a copy.

Finally, I again drew attention to the fact that the memorandum only reproduced a small portion of our conversation and that therefore the title was somewhat too comprehensive. He changed it more accurately to "Main points of a conversation".

HASSELL²

² See also document No. 598.

No. 593

7849/E569582-86

*Circular of the Foreign Ministry*¹

BERLIN, February 27, 1936.

II Oe. 575²

With reference to instructions II Oe. 391³ and II Oe. 450⁴ of February 6 and 13.

The immediate object of our diplomatic *démarches* with the Danubian

¹ Addressees were the Missions in Vienna, Prague, Belgrade, Budapest, Bucharest and Sofia.

² The draft of the document here printed has not been found (see document No. 543, footnote 2). According to the Journal it was based on the following replies to the instructions contained in document No. 543: Vienna telegram No. 17 of Feb. 18 (not found); Prague report A III 1b 21 of Feb. 17 (not found; a further account by Eisenlohr of a conversation with Hodža about the Danubian Region is contained in the report cited in document No. 516, footnote 2); Bucharest telegrams Nos. 13 and 15, of Feb. 20 and 22 respectively (9779/E686805-06); Budapest telegram No. 9 of Feb. 17 (9600/E676774-77) and Budapest report A 41 P 34 of Feb. 18 (9600/E676778-81); Belgrade telegram No. 6 of Feb. 15 (9779/E686808); Sofia telegrams Nos. 13 and 15 of Feb. 14 and 17 respectively (9779/E686809, 07).

³ Document No. 543.

⁴ See documents Nos. 558 with footnote 1 thereto, 559 and 560.

States has been to make it quite clear to the Governments concerned that Germany will not passively accept a new economic order in the Danubian Region, undertaken without her cooperation and in disregard of her own economic interests.

A brief summary follows of the statements made by the representatives of the various Governments with whom these *démarches* were made. In this connection the statements of the countries more closely linked to Germany, some of which are extremely positive in tone, are naturally of greater significance than the more or less skilful evasions made by the original instigators of these plans.

Austria denies that she has taken any part. Minister Wildner declared that, in view of the enormous difficulties that would be encountered in reconciling the interests of the States of the Rome Protocol with those of the Little Entente, the reports in question were "fantastic". In this respect it is worth mentioning that the recently initiated Austro-Czechoslovak trade negotiations have so far obviously gone badly, and that the Austrian Minister in Prague expressly maintains that he has received instructions not to enter into any political commitments.

In *Czechoslovakia* attempts were made to explain away the anti-German tone of the interviews given by Minister President Hodža in Paris, which in part speak undisguisedly of intending to draw Austria into the Little Entente,⁵ of defence against German military aggression and of "*assistance mutuelle*" between Czechoslovakia and Austria. Secretary of State Krofta, who obviously takes a sceptical view of both the political and the economic plans of Hodža, received the German statement that a protest would be made in the event of any preferential agreements being reached without German participation with the comment that, should such plans exist, the consent of the most favoured nations would naturally have to be obtained.

Of the remaining States, *Rumania*, which for some years now has been fostering the idea of the integration [*Zusammenschluss*] of the Danubian States, has probably been the most favourably impressed with the idea of a new order. It is true that Under Secretary of State Savel Radulescu declared that no plans of this nature had yet taken concrete shape. In any more closely knit economic integration between the States of the Little Entente, to which, within the modest framework of current possibilities, he gave friendly support, the network of economic relations with Germany could not, he said, be disregarded; in his opinion the present conference would not come to any definite conclusions. The same opinion was also expressed by the Minister of Commerce, Costinescu, who realized that, in view of German interests, any unilateral measures taken at the Prague Conference could have serious repercussions.

⁵ See documents Nos. 542, footnote 4, and 580, footnote 7.

In *Hungary* the idea of an economic new order in the Danubian Region without Germany meets with clear-cut disapproval. The Minister President, Gömbös, declared expressly that Hungary's policy would be guided, as before, by the Rome-Berlin axis [*Achse*], and added that he would like to see an eventual extension of the bloc to include Warsaw. Cooperation with the Little Entente as such was not provided for at all in the Rome Protocols; these permitted an extension to include a fourth or a fifth State only under quite definite conditions. He himself would never sit at the same table with the Little Entente as such. For the rest, M. Gömbös regards as pointless any talk about a new order in the Danubian Region, until the Abyssinian conflict has been brought to a conclusion.

M. Gömbös further declared that relations between Hungary and Yugoslavia were gratifyingly good, but that, as a result of recent events, distrust of Austria had grown exceptionally strong. Very much against Italy's will, Austria had been anxious to seek a new ally in Paris via Prague, and, as a result of her confused policy, had, among other things, suffered a perceptible defeat in the Habsburg question. In so far as it was a question of an economic settlement between Austria and Czechoslovakia, the latter being, of course, anxious to take advantage of Austria's complete lack of plans, he [Gömbös] had no objection; but in the event of a political deal between them, Hungary and Austria would have to part company.

The Minister of Commerce, von Winckler, pointed out that Hungary had so far not been informed of a Danubian plan, and that his Government had answered the Czechoslovak Government's "suggestions" respecting an extension of mutual trade by indicating that, whilst they were quite willing to negotiate on the subject, they saw no prospect of Czechoslovakia's regaining those export markets in Hungary for the loss of which she was herself to blame. Von Winckler said Hungary's commercial position had developed so satisfactorily, thanks to her relations with Germany whose predominant position could be challenged by no other country, that she need now attach no weight to support from the Little Entente in general and Czechoslovakia in particular.

In *Yugoslavia*, too, the idea of extending preferential treatment to Austria was rejected by Minister President Stoyadinović; Austria had not merited such preference and in any case the Great Powers must be given priority. The efforts of the Yugoslav Government were consequently directed towards intensifying economic relations with Germany and nothing would be done which might displease Germany.

In *Bulgaria*, which lies more on the periphery of the present plans for the Danubian Region, it is held that Bulgarian participation in these new plans is as unlikely as in the previous case of the Tardieu Plan. The Minister President and Foreign Minister, Kiosseivanov,

fears that should there be any concrete economic results they will be at Bulgaria's expense.

By order:
BENZLER

No. 594

5730/E415547-48

The Ambassador in Great Britain to the Foreign Ministry

Airgram

No. 26 of February 27

LONDON, February 27, 1936.

Received February 28—1:15 p.m.

III E 711.

With reference to your telegram No. 13.¹

I took the opportunity of a further conversation with Eden today to refer to the conversation Bismarck had with Lord Cranborne on February 15,² and to enquire unobtrusively of the Foreign Secretary whether the desire for closer collaboration between Germany, Britain and France, which Lord Cranborne had expressed on that occasion, had meanwhile assumed a more concrete form.

Eden replied that he had charged Lord Cranborne to give the explanations in question because he had gained the impression from the German press, and elsewhere, that it was believed in Germany that the British Government were harbouring designs, especially in respect of Russia, which might smack of encirclement. This was by no means the case, as indeed he had made plain in his Commons speech last Monday.³

As far as the British desire to bring about closer collaboration between Germany, Britain and France, in particular, was concerned, he was at the moment not yet in a position to make any definite proposals. It was his intention, as also Flandin's, that he should have a full discussion with Flandin during the proceedings at Geneva this coming week; he did not yet know precisely what were the guiding principles of Flandin's policy. But once he had assured himself that Flandin, like Laval, so he hoped, was bent on an understanding with Germany, the time would have come to discuss ways and means with me.

In this connection I pointed out the dangers entailed by the Franco-Russian Alliance, which I said would be apt to prove a barrier to attempts at obtaining a German-French understanding. In so doing, I once again condemned this Treaty of Alliance from both the legal

¹ Document No. 583.

² See document No. 568.

³ In his speech of Feb. 24, 1936, the Foreign Secretary said: "While His Majesty's Government will take their full share in the policy of collective security they will have neither lot nor part in encirclement." See *Parl. Deb., H. of C.*, vol. 309, cols. 76-87.

and the political aspect and I stressed that the question of the ratification of this Alliance had become a problem of the greatest political significance. I also let it be seen that I would consider it useful were Eden, on the occasion of his forthcoming conversations with Flandin, to do what he could to ensure that the ratification of the Treaty of Alliance by the Senate should not in fact take place before the French elections.⁴

The Foreign Secretary did not controvert my remarks but merely observed that, as I was aware, the British Government had taken the view that the Franco-Russian Treaty was compatible with Locarno; for the rest Britain regarded this Treaty as being, *per se*, a matter between third parties and of no direct concern to the British Empire.

I derived the impression from our conversation that Eden is, in fact, devoting himself most actively to trying to find a basis on which some form or other of German-British-French cooperation could be constructed, and that, therefore, he himself would be very glad if the ratification of the Russian Treaty by the French Senate did not take place.⁵

HOESCH

⁴ Ratification of the Pact was voted upon in the Chamber of Deputies on Feb. 27, and approved by a majority of 353 to 164; the bill was laid before the Senate on Mar. 3 and finally voted upon there on Mar. 12, when the bill was approved by a majority of 231 to 52. Elections were due to be held in France on Apr. 26 and May 3.

⁵ Marginal note against this passage in Renthe-Fink's handwriting: "Signor Attolico has given the St[ate] S[ecretary] information to the contrary from Paris."

No. 595

6103/E452136

The Minister in Switzerland to the Foreign Ministry

Telegram

URGENT

No. 40 of February 28

BERNE, February 28, 1936—8:45 p.m.

Received February 28—11:00 p.m.

II Sz. 272.

With reference to my telephone message of February 28.¹

I did not read in his presence the Note¹ which Federal Councillor Motta has just communicated to me and which I have transmitted by telephone. Motta merely told me the salient features. I reserved full liberty of action on the part of the German Government.

¹ According to a memorandum by Weizsäcker (6100/E451958), he telephoned the text of the Swiss Note to the Foreign Ministry at 5:50 p.m. on Feb. 28. This Note of Feb. 28 (6103/E452141-45), the Swiss Government's reply to the German Note of Feb. 20 (see document No. 571), was forwarded by Weizsäcker to the Foreign Ministry under cover of Report A 470 of Feb. 28 (6103/E452139).

I told Motta that the prohibition of central organizations [*Spitzenorganisationen*] of the NSDAP, on which Switzerland insisted, was a glaring psychological blunder. It was as if visitors to some house were to be bitten by mad dogs, and the owner of the house were then to refuse to let the visitors stay instead of first of all getting rid of his dogs. I then warned Motta against believing that the German Government would be satisfied simply with the Note, particularly as it was known that the question of the continued toleration of the political organization of local Ortsgruppen in Switzerland was being examined and was still undecided. Motta admitted that the investigation in the cantons regarding the conduct of the Ortsgruppen was still in progress and he held out the prospect of further discussions with me as to possible rules of conduct for the Ortsgruppen of the NSDAP. When I mentioned the Swiss associations in Germany, Motta said that the only central organization for these in Germany was through the official [Swiss diplomatic] representatives and suggested a parallel arrangement in Switzerland.

Motta tried to minimize the importance of the exchange of Notes. This I would not accept, and once more went fully into the questions of the press and the repercussions of the latest events on the neutral character of Switzerland.

WEIZSÄCKER

No. 596

2067/449233

The Foreign Minister to the Embassy in Great Britain

Telegram

No. 19

BERLIN, February 28, 1936—9:00 p.m.
zu II M 797 g.¹ II.

Also for Naval Attaché

With reference to your airgram No. 25.¹

You should inform the British Government that the German Government are ready in principle to open negotiations with a view to concluding a bilateral German-British agreement on the basis of the London [Conference] results and our claims, already communicated, for adjustments arising from the Naval Agreement. Our attitude in this question is determined by our desire to contribute to the successful conclusion of the naval negotiations. In no circumstances should Germany's conciliatory attitude towards Britain be interpreted as involving recognition of the French thesis. The coming into effect of new commitments going beyond the present Naval Agreement must

¹ Document No. 589.

remain dependent on the other naval Powers and Russia assuming similar commitments.²

NEURATH

² Marginal note: "The Navy have given a statement of their views, which is said to agree with this telegram to London, to Herr v. Ribbentrop whose attitude has not yet been made known. D[ieckhoff], Feb. 28."

A copy in the naval files (7790/E562294-95) of the text of the document here printed is headed "Note in reply to the British proposal of Feb. 25, 1936", and bears the following notes (of which (ii) and (iii) are typewritten):

(i) "The R[eich] W[ar] M[in]ist[er] has received an oral report from the C. in C. N[avy] and is in agreement with the measures undertaken so far. SK I. M[össel], Mar. 2."

(ii) "Telephone message to Wassner on Feb. 26, 1936: The Führer has empowered von Ribbentrop to conduct negotiations as in the case of the supplementary negotiations for the naval agreement, i.e., the C. in C. N[avy] is, in concert with von Ribbentrop, to draw up written statements of our attitude and to give them to the Attaché in London. You should, therefore, go to Craigie and suggest to him that he agree to this method of procedure and that he accordingly give us as soon as possible a written statement of his attitude to our Notes of Feb. 25, 1936, and Feb. 28, 1936 [see document No. 584 and the document here printed]. A reply will always be made promptly. Additional note for Wassner. You should pay careful attention to the reservations contained in the last sentence of the Note of Feb. 28. Furthermore, no concessions without consent of the C. in C. N[avy]."

"Minute: The above order by the C. in C. N[avy] was communicated by telephone by me (M) to the Naval Attaché at 12 noon today. He wrote it down and will submit the text of the order to the Ambassador."

(iii) "To SK for information: Please enter below the text of SK I's communication on this subject to the Foreign Ministry. M (signed) Densch, Feb. 29, 1936."

(iv) "To M: The Foreign Ministry (Geheimrat v. Kamphoevener) was informed of the following orally by SK I on Feb. 25: [Text as first sentence of telephone message to Wassner above.] As hitherto, the Foreign Ministry will receive copies of the Notes exchanged. SK. (signed) Guse."

No. 597

5753/H040528-29

Memorandum by the Foreign Minister

BERLIN, February 28, 1936.

RM 156.

II Ung. 174.

The Hungarian Minister called on me this afternoon and, on instructions from his Government, informed me that M. de Gömbös, together with Herr Schuschnigg, would probably be meeting Mussolini in the middle of March. He said M. de Gömbös would like to know whether we had any wishes to express for the discussions with Mussolini. I told M. de Sztójay in reply that I was grateful to M. de Gömbös for his friendly information and kindly intentions. We had, I said, already been informed by Mussolini of the forthcoming meeting, and Mussolini too had enquired as to our wishes.¹ We had no special wishes to put forward. Both Signor Mussolini and M. de Gömbös were informed of our attitude towards the Danubian problem. We had likewise made known to Budapest and Rome our attitude towards

¹ See document No. 569, footnote 2.

M. Hodža's plans.² In respect of German-Austrian relations too, Signor Mussolini was informed that we desired an improvement in these relations; he had received a request from us that he should, on his part, convey to Vienna that he too desired an improvement in German-Austrian relations.

M. de Sztójay then asked whether we had any proposals to make in respect of such an improvement [in relations] with Austria. I told him that Herr von Papen was engaged in exchanging views with Herr Schuschnigg and Prince Starhemberg,³ with the object of finding the way to a *modus vivendi*. These conversations, however, were still in their initial stages and we were not in a position to make specific proposals on our side.

M. de Sztójay then further asked what we thought of the idea of a possible extension of the Rome Pact (Italy-Hungary-Austria)⁴ to include Poland and Germany. I replied that as far as Germany was concerned this did not appear to be the right moment for a discussion of this subject. Furthermore, I said, our having interests in common would bring us together even without the conclusion of a formal pact.

FRHR. VON NEURATH

² See document No. 542, footnote 4.

³ See document No. 586 and footnote 1 thereto.

⁴ i.e., the Rome Protocols of Mar. 17, 1934; for the text see League of Nations: *Treaty Series*, vol. civ, pp. 281-303.

No. 598

6001/E443094-97

The Ambassador in Italy to the Foreign Ministry

SECRET

Geh. 27

ROME, February 28, 1936.

Received February 29.

II It. 236.

POLITICAL REPORT

Subject: Italian attitude in connection with a possible denunciation by Germany of the Locarno Treaty.

With reference to my despatch Geh. 20 of February 22.¹

The question as to whether and how Germany would react to the possible ratification by France of the Russo-French Pact is at present the main topic of interest here, especially in diplomatic circles and among foreign correspondents. Meantime the Italian press is being very reserved on this question. This conduct corresponds to the trend of Italian policy. I think I have detected that since my last visit to Mussolini (and basing my views especially on a conversation of mine

¹ Document No. 579.

with Signor Suvich,² on a conversation between Counsellor of Embassy Baron von Plessen and the Head of the Political Department of the Foreign Ministry,³ and also on conversations with other political personages) the Italians are adopting the watchword of greater caution where their own attitude is concerned; indeed it may even be that they would like, so to speak, to apply the brake a bit to us too. The above-mentioned conversation with Suvich was occasioned by a very brief memorandum which had been drawn up on my conversation with Mussolini.⁴ Suvich claimed that Mussolini had only said four words to him about our conversation and had then instructed him to draw up this memorandum and show it to me for revision. This is the more remarkable inasmuch as, although such memoranda on conversations are always, or at least usually, drawn up, they have hitherto never been submitted, at any rate to me, to look through. The memorandum dealt only with three points, namely, first, Italy's attitude in case of more severe sanctions, secondly the forthcoming tripartite Italian-Austrian-Hungarian meeting⁵ and lastly the ratification of the Russian Pact. On this last point it was said that I had stressed that no decision had been taken on the German side and that Mussolini, for his part, had stated that, although admittedly Italy was not in sympathy with the pact, she was not directly affected, so that he was reserving his decision as to what he would do should the case arise and that Germany's attitude would of course be a very material factor. Then it was said that Mussolini had stated to me that he would not take up a position against [*keine Stellung nehmen gegen*] a German reaction, within legitimate bounds, to ratification. Hereupon I very strongly emphasized that Mussolini had said no word about this confinement "within legitimate bounds." Indeed, it was *a priori* scarcely conceivable since nobody knew what were legitimate bounds. My question to Mussolini had been whether I could assume that Italy would not take part in any form of proceedings by the remaining Locarno Powers against any reaction of whatever nature by Germany to the ratification. Suvich replied that, as he had said, he had only been very superficially informed by Mussolini; the addition "within legitimate bounds" had originated with himself and he had had no further thoughts in mind [*er habe sich weiter nichts dabei gedacht*]. Thereupon the addition was struck out and the passage drafted in accordance with my explanation. In connection with the word "legitimate" it is perhaps of interest that a few days ago a confidant particularly pointed out to us that in case of denunciation attention should be devoted to the *juridical* statement of the case.

As I have stated in my despatch under reference,¹ I gained the im-

² See document No. 592.

³ See document No. 590.

⁴ See also vol. v of this Series, document No. 5.

⁵ See document No. 569, footnote 2.

pression from my last conversation with Mussolini that he was reckoning with more severe sanctions, the consequence of which would be Italy's withdrawal from the League of Nations entailing the automatic lapse of the Locarno obligations; further, that he would not take part in a possible action by Britain and France against Germany, occasioned by an alleged breach of the Locarno Treaty by Germany. I think it not impossible that Mussolini was subsequently persuaded, perhaps through conversations with his advisers in the Palazzo Chigi, that he had expressed himself towards me somewhat too decisively about the attitude Italy could be expected to adopt. As I reported orally on the occasion of my last visit to Berlin, a reliable confidant, acting on the assumption that the question of denouncing the Locarno Treaty was at that time under consideration in Berlin, did actually advise us not to announce our denunciation at the present moment but to await a more favourable time. If one asks oneself the question as to why the German abrogation of the Locarno Treaty should, in the Italian view, be inopportune at the present moment, for all that for Italy it would have the advantage of diverting world attention away from Italy and towards Germany, then in my view the answer to this question would be that although Italy has just undertaken her last big attempt at putting pressure on Paris and London before the Geneva decision⁶ (cf. today's press report),⁷ she is at the same time still doing all she can not to burn her bridges with Britain and France prematurely, and that therefore she does not want to be faced, in consequence of a German action, with having to decide at this stage whether her policy should be reorientated away from the West and towards Germany.

It is, in this respect, immaterial that it is highly improbable that Italy would join in proceedings taken against us by the remaining Locarno Powers on the grounds of our having allegedly violated the Treaty. Italy would scarcely go beyond a paper reservation, if she takes any part at all. Nevertheless, it is necessary to bear in mind the Italian attitude described above.

Any resolutions that may be adopted by the Committee of Eighteen, which is to meet on March 2, will naturally be of decisive importance for future Italian policy. Perhaps it may be possible to take our decision as to how we will react to a ratification only after the question of whether more drastic sanctions are to be applied has become clear. In case of more drastic sanctions we need have no doubt that Italy will remain completely passive in the event of proceedings by the Locarno Powers against the German "sharp reaction"; indeed an active Italian

⁶ i.e., the meeting of the Committee of Eighteen referred to below, to consider the report of its committee of experts on oil sanctions.

⁷ Not printed (7964/E574916-17); this report described, in particular, articles by Mussolini and Gayda endeavouring to exert pressure on France and Britain by threatening a reversal of Italian policy. See also document No. 590.

attitude against Locarno would be entirely possible. If sanctions are *not* made more drastic, then getting into touch (as I have already suggested) with Mussolini immediately before the decision would assume special importance, in order, as far as possible, to obtain that, in this case too, Italy adopts an attitude which would be in accordance with our wishes.

HASSELL

No. 599

2067/449241-42

The Embassy in Great Britain to the Foreign Ministry

A 883

LONDON, February 28, 1936.

Received March 2.

II M 807 g.

Subject: Conversation with Under Secretary of State Craigie on the German-British Naval Agreement.

With reference to my airgram No. 25 of February 26.¹

Under Secretary of State Craigie paid a brief call on me yesterday at the Embassy in order (in a private capacity, as he put it) to explain to me expressly once more, in connection with the previous day's discussion in the Foreign Office, that it was precisely in order to avoid discriminating in any circumstances against Germany that the British Government had thought of concluding a bilateral agreement with the German Government on the qualitative limitation of naval armaments. Quite apart from the fact that Germany for her part would only have signed the treaty to be concluded by the four Powers at the conference here if the French Government had given up the reservation they had claimed to make, the British Government would also not have been prepared to sign a treaty containing such a reservation in respect of Germany. For Britain too such a reservation would have constituted a long-term encumbrance on the Treaty, since France could at every opportunity have exploited it against Britain and used it as a means of bringing pressure to bear on her. In answer to my question, Craigie repeated the view, already expressed by Eden on the previous day, that Britain would only sign the proposed Four-Power Treaty if Germany too participated in it in some way. He therefore hoped most urgently that the German Government would declare themselves in agreement with the British proposal for a bilateral agreement.

I replied that we had reported to Berlin the substance of the conversations at the Foreign Office, but naturally we did not yet know the German attitude. In any case one of the preconditions for German consent would certainly be that Britain should accept the amendments which we had proposed. Since there were no differences whatever

¹ Document No. 589.

between the German view stated by us and that of Britain on the question of the smaller types of ships of under 600 tons, the main thing was Germany's desire to reduce the life of German capital ships from 26 to 20 years. Mr. Craigie quite saw this point and gave it as his personal view that a way could be found to meet our wishes.

BISMARCK

No. 600

7790/E562092-95

The Naval Attaché in Great Britain to the Commander in Chief of the Navy and to the Foreign Ministry

Mar. No. 223

LONDON, February 28, 1936.

Received March 2.

SK 72.

Subject: Naval Conference.

1. On February 27 I received the following information from the American Delegation:

"It is said to have been agreed between the British and Americans that they should use delaying tactics during the next eight to ten days in the further naval negotiations, in order to wait and see whether meanwhile after the Geneva session¹ some understanding with Italy might be possible or other solutions might emerge.

"If within the next fortnight no possibility were found of bringing the European Powers together, the Americans would take their departure after filling the gaps still remaining in the draft of the Treaty and then handing it over to the European Powers, and leave it to them to accede to the proposals by the end of the year.

"Should no general agreement then ensue, the Americans and British would conclude an agreement on this basis at the end of the year."

2. In the meantime the Italian mission's discussion with Foreign Secretary Eden has taken place in the presence of other members of the British Delegation. It lasted for a very long time and the outcome was that the Italians were not in a position to sign the proposed naval treaty.

The official statement reads as follows:

"Owing to technical difficulties such as the size of the battleship and the question of the gap between the battleship and the cruiser, as well as because of difficulties of procedure, the Italian Delegation intimated that they were not, for the moment, ready to sign a treaty."²

The reasons for this Italian attitude correspond with the statements made by the Italian Admiral, Raineri-Biscia, which were reported yesterday in Mar. No. 218,³ page 2.

¹ See document No. 519.

² In English in the original.

³ Not printed (7790/E562089-91).

3. After this had occurred I saw the American Naval Attaché for a short time at a meal, and he spoke to me more or less as follows: He welcomed the fact that, as he had seen, Germany had been brought into negotiations about participation in the naval agreement. He thought he could safely tell me that the situation might now very well arise where three "Nordic" countries—America, Britain and Germany—would come to an agreement in a common treaty and that the "Latin" Powers would then simply be left out. He was telling me this, he said, without any official authority, purely in his private capacity, but he was, after all, a member of the Delegation.

4. It was plain that he was alluding to the following matter:

Last Monday, February 23, Lord Monsell had a conversation with Norman Davis⁴ in which he expressed his fear that Italy would withdraw from the Conference and that France too might then follow suit. In this connection he put the question whether in these circumstances the Americans would be prepared to sign a special agreement with the British and, if need be, to include Germany in this agreement. The Americans countered by saying that they had hitherto wished to avoid attaching themselves to any European group and so becoming opposed to other European groups.

Lord Monsell thereupon suggested that another way was open, namely, to conclude a bilateral agreement between Britain and America and a further bilateral agreement between Britain and Germany which could then be linked together in some form or another.

Norman Davis communicated both proposals, as being particularly important, to Washington. (It is said that they are in principle ready for such an agreement now that Italy has announced her withdrawal.)

A second possibility has also been discussed in this connection, i.e., that France should not withdraw from the Conference; in this case it is expected that political difficulties will arise, since, as is well known, France has only been prepared to make bilateral agreements if special provisions are also simultaneously agreed for air forces and armies.

5. After the Italians left the Conference yesterday, the French, as expected, immediately began to raise great difficulties, making use of the same technical arguments which the Italians had employed for their own withdrawal. Besides the "capital ship"² they suddenly made an important point of the non-construction zone with which they are not in agreement, although up to date they had raised no objections to it.

6. The British now maintain that the Conference has foundered on the fact of Italy's withdrawal; Italy is not expected to participate any further, on the contrary her early departure is expected.

The British have now notified the Americans once more that they intend to circulate a proposal under which Britain would embark on

⁴ Chairman of the American Delegation to the Naval Conference.

parallel negotiations and conclude bilateral agreements with the United States, Germany, Russia and France, which could perhaps be co-ordinated later in a general instrument.

7. I learn that this proposal has not had a particularly favourable reception from the leader of the American Delegation, since there still persists on the American side the fear, to which I have referred above, of being dragged into European conflicts. The idea has once more gained ground among the Americans of adopting the attitude set out in paragraph 1 above.

8. The whole affair has developed in such a way that the tactical situation for Germany, as seen also from a general point of view, has suddenly become very favourable—a view which is shared by important British persons. A situation has thus arisen which, if exploited, may involve far-reaching political consequences.⁵

WASSNER

⁵ In despatch Mar. No. 227 of Feb. 29 (7790/E562098) Wassner reported: "At noon today I was informed by a good source that the French reply, which has not yet been handed over, is to be as follows: 'France is prepared to conclude an agreement under the following conditions:

'1. 35,000 ton ship agreed, but only for three years; the same applies to the non-construction zone.

'2. A place must be kept open for Italy so that she can sign later.

'3. The exchange of information, which is fixed by the Anglo-German Agreement for Germany and Britain, should be extended to France, likewise reciprocally.'"

No. 601

2087/449236

The Embassy in Great Britain to the Foreign Ministry

Telegram

MOST URGENT

No. 28 of February 29

LONDON, February 29, 1936—2:41 p.m.

Received February 29—4:55 p.m.

II M 802 g.

With reference to your telegram No. 19 of February 28.¹

This morning I called on Foreign Secretary Eden and informed him of the contents of your telegram under reference. Eden, who took careful note of my communication, expressed satisfaction at the German Government's readiness in principle to open negotiations and, with reference to the claims for adjustments which we had put forward, declared that, as far as he could see, their acceptance would not encounter any difficulties. With regard to our reservation that the coming into effect of new obligations going beyond the present Naval Agreement would still have to be dependent on the acceptance of similar obligations by the remaining naval Powers and Russia, Eden wanted to know what our attitude would be if, for instance, a Three-

¹ Document No. 596.

Power Agreement between Britain, France and America were to be reached, excluding Italy, and furthermore whether our reservation also extended to the participation of Japan in the new agreement. I referred him to the text of the instructions which had reached me, saying that beyond this I could give him no detailed elucidation.

BISMARCK

[EDITORS' NOTE: On March 2 Blomberg issued to the Commanders in Chief of the three Services preparatory orders for the transfer on Z-Day of units into the demilitarized Rhineland Zone (9944/E695938-40). For the German text of this order see also *Trial of the Major War Criminals before the International Military Tribunal*, vol. xxxiv (Nuremberg, 1949), document No. 159-C, exhibit USA-54, pp. 644-647. An English translation is printed in *Nazi Conspiracy and Aggression*, vol. vi (Washington, 1946), pp. 974-976. Fritsch's orders to the Army were issued on March 3 (9944/E695952-61) and Blomberg's executive order, fixing Z-Day as March 7, on March 5 (9944/E695941).]

No. 602

2067/449238

Memorandum by Ministerialdirektor Dieckhoff

BERLIN, March 2, 1936.
zu II M 805 g.¹

Counsellor of Embassy Prince Bismarck has just rung me up on the telephone² and informed me that shortly after he had carried out the Foreign Ministry's instructions about naval questions with Mr. Eden on Saturday morning (see London Embassy's telegram No. 28),³ the Naval Attaché, Captain Wassner, informed him that, according to a communication which he had received from the Naval Command,⁴ the Führer had laid down that naval questions should be dealt with jointly by Ambassador von Ribbentrop and the Naval Command only. Prince Bismarck said that such instructions could, of course, be carried out when Herr von Ribbentrop was personally present in London, but that in his absence they would be bound to lead to difficulties, since the political aspect of naval questions could not be taken up by the Naval Attaché with the British authorities. A conversation between the Naval Attaché and Mr. Eden on political questions could not be considered and Mr. Craigie, too, had but recently emphasized that he could discuss only technical naval questions with the Naval Attaché.

¹ Not printed (2067/449237); this was Kamphoevener's record of the telephone message from Lt. Cdr. Mössel; see document No. 596, footnote 2.

² The words "on the telephone" are underlined by Bülow, who has placed an exclamation mark in the margin.

³ Document No. 601.

⁴ See document No. 596, footnote 2.

Prince Bismarck asked for guidance on what the Embassy's attitude should be in this case.

I told Prince Bismarck that I merely knew that the latest instructions⁵ had been issued on Friday by the Foreign Minister after consultation with Herr von Ribbentrop, but that I knew nothing of any further instructions by the Führer on how naval questions were to be dealt with.⁶

Submitted herewith to the Foreign Minister through the State Secretary.

DIECKHOFF

⁵ See document No. 596.

⁶ Marginal note: "S[enior] C[ounselor] Renthe-Fink. Prince Bismarck has today been informed to the effect that in the absence of Herr v. R[ibbentrop] the *political* side of the naval conversations is to be handled by the Embassy (directive of the F[oreign] M[inister]). D[ieckhoff], Mar. 3."

No. 603

6001/E443098

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 22 of March 3

ROME, March 3, 1936—7:30 p.m.

Received March 3—9:25 p.m.

II It. 246.

With reference to report Geheim No. 27 of Feb. 28¹

Suvich has now given me a copy of the memorandum on some aspects of the conversation between Mussolini and myself,² in which all my desired alterations have been made.³ He added orally that the Head of the Government had approved the text. After stating that Italy would leave the League of Nations if sanctions were made more severe and that in Mussolini's view the function of Locarno too would then cease, it says that, regarding the Russian Pact, I had stated that the German Government had not yet reached a decision about a possible reaction to the ratification. From here the memorandum continues as follows: "The Head of the Government replied that, although we did not view the Russian Pact sympathetically, we had not yet reached any decision on the subject; we were not directly interested; we were waiting to see what the German attitude would be. The Head of the Government could, however, say at once that we would not participate in any counter-reaction which might be called forth by a German reaction to the ratification."

¹ Document No. 598.

² Hassell forwarded a copy of the Italian memorandum, with a German translation, under cover of report No. Geh. 27 II of Mar. 5 (6001/E443099-103/1), for which see vol. v of this Series, document No. 5.

³ See document No. 592.

Thus if there really was an attempt to weaken the declaration made to me by Mussolini, it must be regarded as having failed.

HASSELL

No. 604

5669/H015900-01

Memorandum by the Foreign Minister

BERLIN, March 3, 1936.

RM 170.

II Fr. 785.

Yesterday morning the French Ambassador urgently requested to see me and informed me that he had been instructed by his Government to request an audience with the Führer in order to tell him that the French Government had noted with interest the content of the interview with M. de Jouvenel.¹ As M. Flandin had explained in his latest speech in the Chamber,² the French Government, too, desired friendly relations with Germany, though certainly whilst maintaining their old friendships and treaties concluded with friendly nations. The French Government begged to be informed as to what concrete proposals for paving the way for Franco-German relations the Führer had to make.

During Poncet's visit to the Führer, which took place at about one o'clock and lasted about half an hour, the Ambassador repeated the statements outlined above. The Führer interrupted M. Poncet, when he spoke of abiding by old friendships and treaties, and asked him whether these also included the Franco-Russian Pact. After much circumlocution M. Poncet finally said that this Pact, too, belonged to the treaties by which France intended to abide. The Führer then explained what objections we had to this treaty, objections of which we had at the time immediately informed the French Government. The impending conclusion of the Franco-Russian Pact constituted, in his view, a great impediment to the improvement in Franco-German relations for which he was striving.

To the Ambassador's question as to whether and what concrete proposals the Führer was able to make, he [the Führer] replied that he could not be expected to have such proposals all ready in his pocket. He must first consider the matter thoroughly.

FRHR. VON NEURATH³

¹ An interview which Hitler had given to M. Bertrand de Jouvenel a week earlier was published in the *Paris Midi* on Feb. 28. No documents on the actual interview or on the antecedents to it have been found.

² On Feb. 25; for the text see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, pp. 578-584.

³ Typewritten marginal note to this document: "Copy sent to Counsellor of Embassy Forster, Paris, with today's courier. Mar. 3, 1936." This was done under cover of a letter from Dieckhoff to Forster of Mar. 3 (M127/M004683-84).

No. 605

2067/449243-51

*The Ambassador in Great Britain to the Foreign Ministry*MOST URGENT
A 957

LONDON, March 4, 1936.

Received March 5.

II M 850 g.

Subject: Naval Agreement.

Mr. Craigie called on me yesterday and informed me that the First Lord of the Admiralty would be asking me to call on him yesterday or today to discuss with me further how and in what form the proposed bilateral German-British agreement on the qualitative limitation of naval armament should be concluded. At the same time Mr. Craigie briefed me, for the time being in confidence and without prejudice, about the main lines on which the conversation would probably run.

The conversation with Lord Monsell has just taken place, in addition to himself and the First Sea Lord, Admiral James, Mr. Craigie and Captain Phillips took part on the British side, and, besides myself, Captain Wassner on the German side.

Lord Monsell began by setting forth the British attitude to our claims for adjustments contained in your telegram No. 14¹ and presented by me to the British in the form of a Memorandum on February 26.

On Point 1, Lord Monsell expressed the British Government's agreement to our reservation about the validity of Article VI of Convention No. 13 of the Second Hague Conference.²

He also expressed British agreement to Points 2(a) and 2(b) of the Memorandum.

On the "Over-Age"³ question, Lord Monsell said that the British Government fully understood the German point of view that in Germany's case special conditions obtained for the replacement of capital ships in view of the fact that she alone was subject to quantitative limitation. The British Government were, therefore, willing to meet Germany's wishes in the matter of shortening the life of German capital ships. On the other hand they were unwilling to see, through fulfilling Germany's wishes, the prospect of a general fixing at the 26-year life span come to nothing, as would undoubtedly be the case if it became known that the life of German capital ships had been fixed at 20 years in the German-British agreement due to be concluded. Germany's interest in the matter was clear; it was to obtain a guarantee that Germany, being subject to quantitative limitation, should

¹ Document No. 585.

² See document No. 585, footnote 3.

³ In English in the original.

not be worse off with regard to replacement of ships than the Powers not subject to quantitative limitation. He had, therefore, had a formula worked out which, in his view, would take account of Germany's wishes. A copy of this formula is attached as Enclosure 1. Lord Monsell added that he would regard it as particularly undesirable if it were generally established that the principle of the 26-year life, arrived at with such difficulty, had been defeated by the German-British Agreement, and he, therefore, begged us to examine his formula sympathetically.

I replied that in itself the formula did not correspond to the German claim which sought to determine *in abstracto* the life of German ships at 20 years, whereas the formula submitted to us related the question of the life of German ships to measures taken by other Powers. I was, therefore, very doubtful whether the formula would appear acceptable in Berlin. I would not fail, however, to submit it to Berlin forthwith.

Sir Ernle Chatfield then intervened to put the argument that Germany would in no way gain an advantage from determining *in abstracto* the life of her capital ships at 20 years, since any arrangement to this effect between Germany and Britain could certainly not be kept secret and its publication would be bound simply to result in the life of ships being *generally* reduced to 20 years; thus the conditions from which we started would in effect be restored. If Germany then demanded a further reduction in the life of her ships, say to 15 years, that again would result in a general reduction to this figure. He therefore warmly recommended the acceptance of the proposed formula since this would best take into account Germany's wishes which he, too, recognized as justifiable.

I then raised the question as to what in fact were the present prospects for the conclusion of a general treaty, and was told in reply that the Italians could hardly be expected to sign before there was some *détente* in the matter of the Abyssinian conflict. *After* such a *détente*, however, one might expect that the technical objections put forward by the Italians as a pretext would soon disappear. On the other hand, it might already be assumed that France, who was now engaged in settling her differences with America over the maximum tonnage for capital ships, would be prepared to sign. One could, therefore, now reckon with the signature of a general treaty by three Powers. When I asked whether all idea of French reservations was now excluded, Lord Monsell confirmed this, adding that it was precisely with a view to disposing of France's reservations that Britain had pursued the idea of a special German-British agreement. At this I emphasized again that naturally our conciliatory attitude towards Britain should not be interpreted as meaning that we in any way recognized France's objections as justifiable.

On the question of concluding a parallel bilateral Anglo-Russian agreement, the British side explained that the British Government would make an early approach to Russia and did not foresee any material difficulties as such. In all probability, however, they would have to reckon with a certain delay, since the Russians would certainly first raise all sorts of general objections to the idea of armaments as a whole. Moreover it was also in Britain's interests to conclude an agreement on qualitative limitation with Germany, with whom she had already concluded *one* naval agreement, *before* the agreement with Russia.

I said that I had not yet received a reply from the German Government to the question whether Germany would be prepared to conclude an agreement if Italy did not sign. As far as Russia was concerned, it was well known how important we thought it was that Russia should simultaneously accept similar obligations.

Lord Monsell then referred to the draft of a tripartite "Safeguarding Clause",³ a copy of which is attached as Enclosure 2; this, he thought, would safeguard all Signatory States to a very far-reaching extent against any independent action by third States. He added that this was still only a draft of which the final version was not yet agreed upon. The reservations contained in it were, as he had said, very far-reaching and would certainly be regarded by the Signatory States as affording sufficient cover. It therefore seemed to him that under the cover of these clauses Germany as well could proceed to sign, without running the risk, in any case very far distant, that Russia might become a threat to German interests through her naval building. I promised to submit the draft of the "Safeguarding Clause"³ to the German Government for examination.

Finally, the discussion moved on to the question of the form which a possible bilateral German-British agreement might take. The problem was whether we should choose the form of an exchange of Notes as in the German-British Naval Agreement of the [previous] spring, or whether a formal treaty should be concluded. The British did not take up a final position but inclined to the view that the conclusion of a formal treaty would be desirable since the non-formal exchange of Notes last spring had been criticized in the House on the grounds that it made formal ratification by Parliament superfluous. I should be grateful if I could be informed as soon as possible of the attitude of the Reich Government on this question too.

In conclusion, the question of the duration of the proposed treaty was touched on, and it was observed that, without prejudice, a duration of six to ten years had hitherto been envisaged. On this point, too, I should be glad if the German attitude could be made known to me.

HOESCH

[Enclosure 1]⁴

"It is agreed that the normal life of a capital ship should be 26 years. If, however, when the German capital ships now building or projected are approaching the age of 20 years, the German Government represent that a Power has laid down a capital ship before the date at which such ship would normally be laid down in replacement of its existing capital ship tonnage, and in consequence the retention of some or all of the German ships to the age of 26 years is an unfair restriction, no objection would be raised to their replacement at any age not less than 20 years."

[Enclosure 2]

SECRET

Article A

(1) If during the term of the present Treaty the requirements of the national security of any High Contracting Party are, in the opinion of that Party, materially affected either by the construction or acquisition by a Power, not a party to the present Treaty, of naval vessels which do not comply with the limitations as to tonnage, armament or speed prescribed by the present Treaty, or by a substantial increase in the strength of the naval armaments of such a Power, the High Contracting Party concerned shall be entitled to notify the other High Contracting Parties that he considers it in consequence essential to depart in some respects from the said prescribed limitations.

(2) Such notification shall state specifically the extent of such proposed departure, and the reasons which make it necessary.

(3) The High Contracting Party making the notification shall thereupon be entitled, in the construction or acquisition of naval vessels, to depart from the said limitations to the extent specified in the said notification.

(4) When such a notification has been given, any of the other High Contracting Parties who consider that the requirements of their national security are materially affected thereby shall be entitled to make a similar notification, containing the details specified in paragraph (2), and thereupon to proceed as provided in paragraph (3).

Article B

Should any of the High Contracting Parties become engaged in war such Party may suspend temporarily in so far as he is concerned, the operation of any provision or provisions of the present Treaty, providing that such High Contracting Party shall immediately notify the

⁴ The enclosures are in English in the original.

other High Contracting Parties of such temporary suspension and of the extent thereof.

The other High Contracting Parties shall in such case promptly consult together through diplomatic channels with a view to agreement as to the provisions of the present Treaty, if any, which should be temporarily suspended as between themselves. Should such consultation not produce agreement any of the said High Contracting Parties may, on giving notice to the other Parties, suspend temporarily, in so far as he is concerned, the operation of any provision or provisions of the present Treaty.

When the reasons for such temporary suspension have ceased to exist any provisions of the present Treaty which have been thus suspended shall again come into operation, and the High Contracting Parties will comply as regards the future construction or acquisition of naval vessels with all the provisions of the present Treaty.

Article C

Should the national security of any of the High Contracting Parties be materially affected, in the opinion of that Party, by a change of circumstances other than those provided for in Articles A and B, such Party shall communicate to the other High Contracting Parties a full explanation of such change of circumstances, and the High Contracting Parties will thereupon consult together with a view to agreement as to any modifications in the Treaty which may be required to meet the situation. Should such consultation not produce agreement, duly made in accordance with the constitutional methods of the respective High Contracting Parties, the High Contracting Party concerned shall be entitled to notify the other Parties that he considers it essential to depart in some respects from the limitations as to tonnage, armament or speed prescribed by the present Treaty. Paragraphs (2), (3) and (4) of Article A will thereupon become applicable.

Addendum to Volume III of this Series

The Editors have felt it desirable to add the following two documents to the selection dealing with Germany's relations with Poland and Central and Southern Europe respectively, already published in volume III of this Series:

5752/HO37943-44

The Minister in Poland to the Foreign Ministry

Telegram

URGENT

No. 52 of June 14

WARSAW, June 15, 1934—3:50 a.m.

Received June 15—6:40 a.m.

IV Po. 4310.

Despite Marshal Pilsudski's illness, which was reported by the press, Reich Minister Dr. Goebbels¹ was received by him this afternoon. The conversation lasted three-quarters of an hour. Pilsudski was obviously ill and it was therefore not possible to go into concrete political questions. Dr. Goebbels pointed to the need to buttress with cultural cooperation the understanding upon which we had already embarked, and he stressed how important it was for him to get to know the atmosphere in Poland. The Marshal welcomed Dr. Goebbels with exceptionally friendly words and expressed his satisfaction with the ideas developed by Dr. Goebbels. Particularly interesting was the fact that he pointed out that the French had unfortunately no understanding whatever for the mentality of other peoples and always thought only of themselves. Dr. Goebbels described developments in Germany which had brought a completely new generation to the helm and stressed that the character of the National Socialists was in no way aggressive. Marshal Pilsudski expressed in friendly words his admiration for Reich Chancellor Hitler and said that he was firmly convinced that he was a statesman with whom one could achieve positive results. The Marshal stressed the hard and difficult vicissitudes of Poland's history and the resultant sensitivity of the Polish national character, for which allowances must be made in all questions. Reich Minister Dr. Goebbels further had half an hour's conversation with Foreign Minister Beck, who also

¹ Goebbels visited Warsaw June 13-14, 1934, and Cracow on June 15; see also vol. II of this Series, document No. 485, and *The Times* of June 14, 15 and 16, 1934.

welcomed him in the most cordial way, although during the conversation it could be discerned that Beck was maintaining a certain reticence. Only on Poland's internal political situation and in particular over the fact that the Polish Parliament had been completely set aside, did he speak with the utmost candour. When Dr. Goebbels proposed expanding relations of a cultural nature, Foreign Minister Beck promised to have a detailed *exposé* drawn up and sent to us.² Dr. Goebbels drew attention to the promotion of relations by reciprocal visits by journalists. Foreign Minister Beck also welcomed this idea and went on to say that the press in both countries must have material placed at their disposal by the Governments. Starting from the suggestion that clearing up any tensions that might arise locally ought not to be entrusted to the local authorities but should be dealt with by the central authorities, Dr. Goebbels drew attention to the Pless case, which was especially serious.³ Foreign Minister Beck replied evasively to these statements but he did promise that the case would be most thoroughly looked into. Finally, Foreign Minister Beck requested Dr. Goebbels to convey to the Reich Chancellor the expression of his greatest admiration and to inform him that unqualified readiness for peace also prevailed on the Polish side.

MOLTKE

² Not found.

³ Prince Pless owned considerable properties and enterprises in Polish Upper Silesia. Documents on his affairs and his disputes with the Polish Government have been filmed on Serials 9186 and K234. See also League of Nations: *Official Journal*, February 1935, pp. 145-149.

6081/E451133-39

The Minister in Austria to the Führer and Chancellor

SECRET
A 3093

VIENNA, October 26, 1934.
Received October 30.
II Oe. 3042.

Subject: Conversation with the Hungarian Foreign Minister and with the Yugoslav Minister.¹

I had a long conversation yesterday with the Hungarian Foreign Minister, de Kánya, who is a friend of mine and who was on his way back from Rome.² He gave me very candid information about his conversation with Mussolini, which appears to me to be not without interest in connection with German-Italian relations. M. de Kánya of course began by asking Mussolini for a very full account of the

¹ Georges N. Nastasijević.

² See also vol. III of this Series, document No. 266, footnote 3.

Italo-French negotiations, because these substantially affect Hungarian-Italian relations. Mussolini, he said, had told him approximately the following:

There was no cause at all for Hungary to be alarmed about the Italo-French conversations. The disarmament question would not be dealt with because this had, in consequence of France's inept policy, come to a complete *impasse*. Nor would Italy alter her attitude in this question *vis-à-vis* Germany either, for all he (Mussolini) was not entirely certain that the German Government were not intending to exceed the defensive armaments programme they had so far envisaged. The conversations with Paris were exclusively concerned with maritime and colonial questions. That he was not allowing himself to be guided by any hopes concerning the question of naval parity³ was shown by his decision to have the two new capital ships laid down. He could not yet say what course the conversations on colonial questions would take, since a whole number of questions still remained open, but he hoped that results might perhaps be achieved. In any case he would not invite M. Laval to come to Rome unless a successful outcome of these conversations, from the point of view of Italian policy, was assured.

The most difficult point was the reconciliation with Serbia. He did not know what Paris had in mind under this head and what would be asked of him in this respect. In any case he would not surrender his basic attitude towards the Little Entente, nor his benevolent attitude towards revisionism. During the discussion of the situation which had arisen after the Marseilles assassination,⁴ Mussolini had, he said, pointed out that tension where Yugoslavia was concerned had if anything increased. The windows of some Italian consulates had been broken and Italian nationals had been maltreated, in consequence of which he had now addressed a Note to Belgrade announcing the severest counter-measures in the event of such incidents continuing. There could be no question of extraditing Pavelić⁵ to France, for the French had never extradited any persons who had been planning attempts on his (Mussolini's) life.

M. de Kánya then brought up the question of German-Italian relations. The Duce replied that he, for his part, was by no means considering any radical change in the policy he had so far pursued towards ourselves. The incident of July 25⁶ had shocked him profoundly, both politically and personally, partly because he had believed

³ The reference is presumably to the proposed 1935 Naval Conference; see also vol. III of this Series, document No. 25.

⁴ Of King Alexander of Yugoslavia and M. Barthou on Oct. 9, 1934; see vol. III of this Series, Editors' Note, p. 468.

⁵ Dr. Ante Pavelić, a prominent member of the Ustaša (Croat Militia), who was arrested on Oct. 17 at Turin on suspicion of complicity in organizing the assassination; see also vol. III of this Series, document No. 268 and footnotes 2 and 3 thereto.

⁶ i.e., the *Putsch* in Vienna; see vol. III of this Series, *passim*.

that, after his trustful discussion with Reich Chancellor Hitler,⁷ the aggressive policy towards Austria would be changed, and partly because Dollfuss had been personally close very to him. He could form no clear picture of Germany's attitude towards Italy because our policy lacked continuity. Admittedly he was entirely convinced that the Reich Chancellor was serious about the present normalization of German-Austrian relations and he also had full confidence in Herr von Papen's mission. But he did not know whether the old policy was not still being secretly pursued by the subordinate party authorities. When M. de Kánya interjected at this point that unambiguous expressions of opinion by the Chancellor, as also the abolition of the Austrian Landesleitung in Munich and Papen's mission, had demonstrated a determined break with the previous policy, Mussolini had replied: There had until quite recently been observable a distinct discrepancy between the official statements made by the highest authorities and what was in fact going on in Germany, e.g., the Chancellor's statements about the pacification of the Church dispute and the persecution of the Protestant Church⁸ which was in fact continuing.

Nor could one be entirely clear about Berlin's moves in regard to Belgrade; it had been alleged that Germany had counselled Yugoslavia to be very sceptical towards Italy.

The most varied rumours were circulating in Rome about Minister President Göring's utterances on the occasion of the King's funeral⁹ (I immediately pointed out to M. de Kánya that these rumours had already been contradicted from the German side and that the Prussian Minister President had merely confined himself to voicing the Reichswehr's esteem for their former opponent). M. de Kánya added that, as far as his own knowledge went, there was much feeling in Serbia against Rome, but that, at the instance of the Quai d'Orsay, the Yugoslav press were maintaining great restraint. The Yugoslav press were also very hostile to Hungary because they were aware of the sympathy felt there for the Croat *émigrés*. Kánya had, he said, been at great pains to improve relations with Belgrade and he would continue his efforts.

With regard to his conversation with Schuschnigg, M. de Kánya told me that Schuschnigg had told him repeatedly and emphatically that he urgently desired a reconciliation with Germany, but that one must be patient and leave it to time to heal the wounds.

When I asked M. de Kánya for his views about future developments in the Danubian region, he said that now one should first allow the Italo-French conversations to take their course, and wait and see what results they produced. He was, however, convinced that these negotiations might take some time and it was highly desirable that in

⁷ On June 14, 1934; see *ibid.*, documents Nos. 5, 7 and 10.

⁸ See *ibid.*, documents Nos. 15, 213, 251, 276 and 279.

⁹ See *ibid.*, document No. 278, and footnote 4 thereto.

the meantime Germany should once again put her relations with Italy on a more cordial footing.

Of interest in this connection is an official statement which the Yugoslav Minister here made to me on the day of his return. He waited upon me in ceremonial fashion in order, as he said, to convey to me a "testamentary behest from the King". At the hour of his departure for Marseilles, the King had charged him as follows: "You should tell Herr von Papen that I am going to Paris because the French and I are allies and because we have a number of interests in common, but, whatever may be discussed in Paris, Yugoslavia will never take part in any combination for the settlement of Central European affairs to which Germany is not also a party." This fundamental political principle of the King's would undoubtedly be taken over by the Regency. The Regency relied primarily upon the Army and it would never allow itself to be driven into controversy with Germany.

In view of the French conversations concerning reconciliation between Rome and Belgrade, this unambiguous statement is undoubtedly of interest.

This morning I called on the Austrian Foreign Minister in order to protest about a fresh speech by Starhemberg and to discuss other matters. As a ceremony of remembrance for the fallen Reich German soldiers and the unveiling of a memorial is planned to take place on November 2 in Klagenfurt, I took the opportunity of asking the Foreign Minister what were his views about my taking part in this ceremony. I said that Consul Freiherr von Hahn had told me that he was expecting big demonstrations on this occasion and that in consequence a new wave of persecution of National Socialists and supporters of Greater Germany might very easily ensue. So I was asking the Foreign Minister whether he could guarantee that if, at the close of the ceremony, the German national anthem was sung and spectators joined in the singing, the police would not set upon those taking part, using their rubber truncheons on them. Baron Berger replied evasively that the police would take action against anything that looked like a demonstration. Remarking that I, as the Reich German Minister, found it profoundly deplorable and shameful not to be able to attend a memorial ceremony which was dedicated to the great history of our people without being exposed to incidents such as I had indicated, I informed him that in those circumstances I would refrain from attending. I now intended to inspect the Consulates in the various Federal Länder early in November and on this occasion to greet the Reich Germany colony privately.

Rheintaler's action having failed,¹⁰ a conference of National leaders of various persuasions took place the day before yesterday, under the

¹⁰ See *ibid.*, document No. 257.

chairmanship of the former Landbund Party deputy, Pistor, at which Professor Hasslachner was the chief speaker. As I hear, the Federal Chancellor has summoned the so-called National leaders of the Federal Länder to a conference with himself on Saturday. That the Government wish the "National Action" to be included is clear, if only from the fact that places have even now been left open in the lists for the legislative bodies in the Länder to be constituted on November 1.¹¹ I shall report on the further course of this matter.¹²

PAPEN

¹¹ i.e., under the terms of the new Austrian Constitution, proclaimed on May 1, 1934; for the text see *Bundesgesetzblatt*, 1934, Pt. II, pp. 1-32.

¹² Papen reported on subsequent domestic developments in despatch No. 3184 of Nov. 3 (1549/376663-69).

APPENDICES

APPENDIX I

NOTE ON CHANGES ARISING*FROM THE DEFENCE LAW [*WEHRGESETZ*] OF MAY 21, 1935

In order to help readers to follow the references in the text to various military offices and their holders the two tables reproduced below have been compiled to show in broad outline the layout (i.e., not the precise chain of command) of the higher echelons of the German Armed Forces before and after the changes which came into effect on May 21, 1935, with the promulgation of the defence law [*Wehrgesetz*]; see Editors' Note, p. 178. The main innovations of this reorganization were the appointment of a serving officer as Commander-in-Chief of the Armed Forces and the establishment of Commanders-in-Chief and General Staffs for each of the three Services.

The provisions of the Treaty of Versailles relating to the structure of the German Army are contained in Article 160 (3), which reads:

"The divisions must not be grouped under more than two army corps headquarters staffs.

"The maintenance or formation of forces differently grouped or of other organisations for the command of troops or for preparation for war is forbidden.

"The Great German General Staff and all similar organisations shall be dissolved and may not be reconstituted in any form.

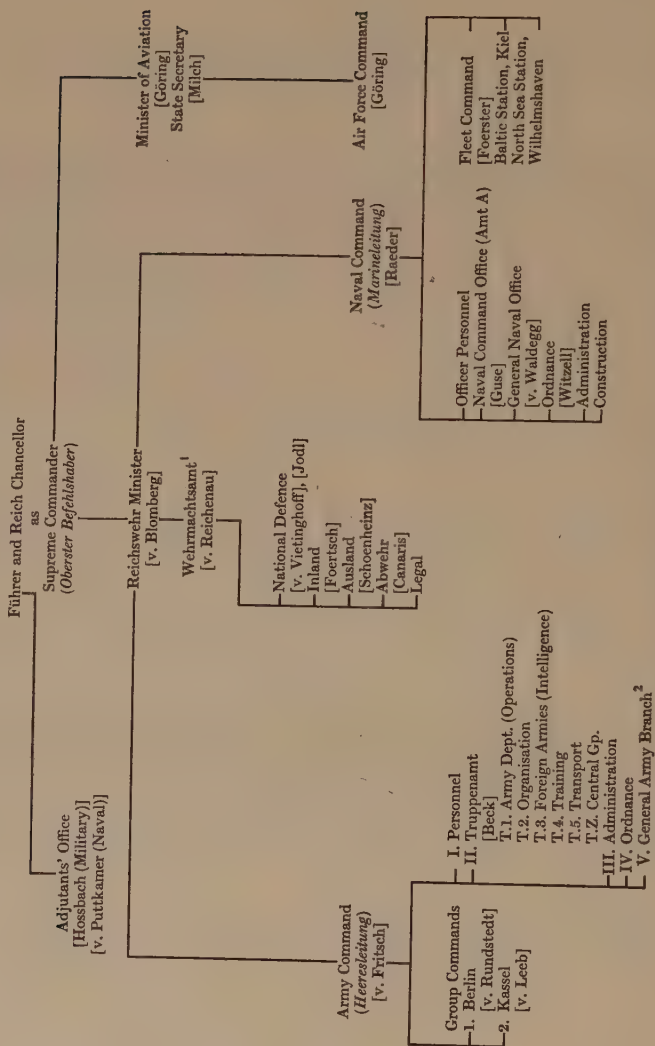
"The officers, or persons in the position of officers, in the Ministries of War in the different States in Germany and in the Administrations attached to them, must not exceed three hundred in number, and are included in the maximum strength of four thousand laid down in the third sub-paragraph of paragraph (1) of this Article."

Apart from certain additions connected with expansion, of which no account has been taken, the main structure remained substantially as in Table B until the Oberkommando der Wehrmacht (OKW) was established on February 4, 1938.

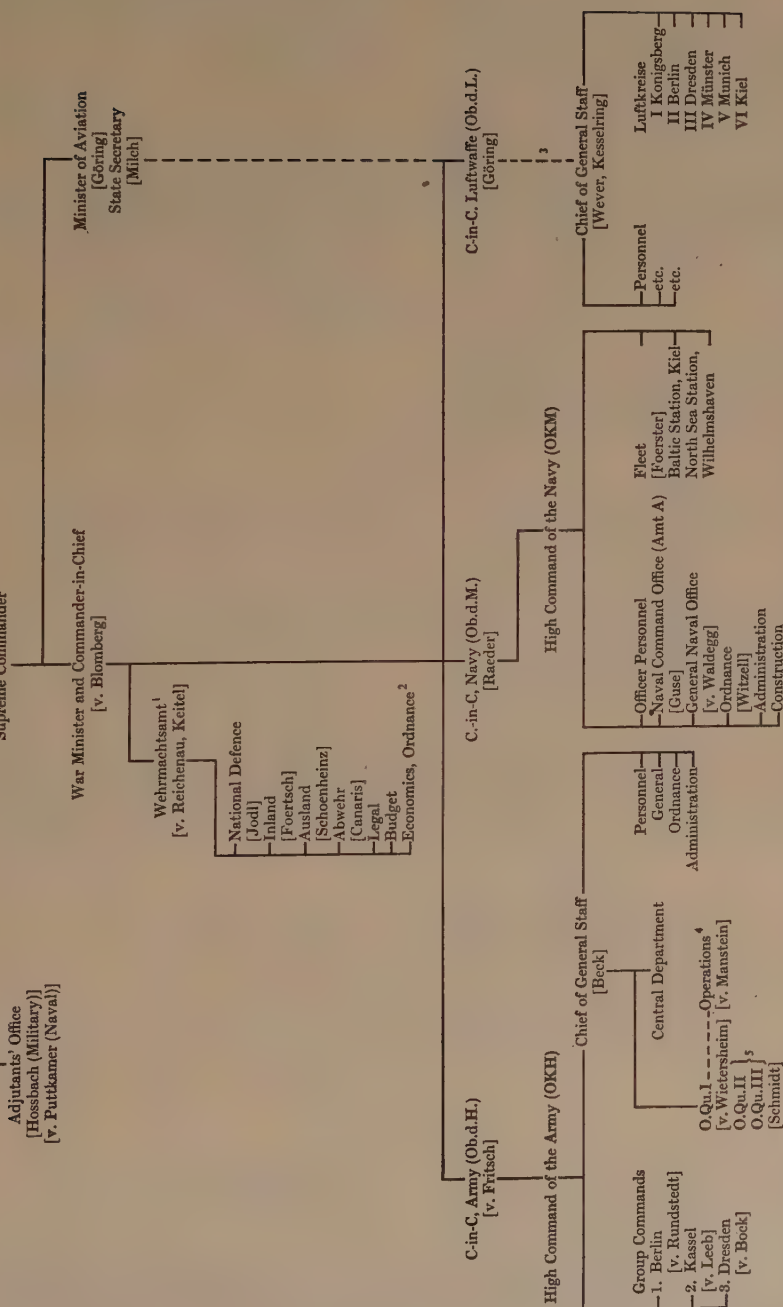
For an account of other changes in the constitutional status of the Armed Forces in the Weimar Republic and after Hitler's assumption of power, see Friedrich Hossbach: *Zwischen Wehrmacht und Hitler* (Hannover, 1949), pp. 62-87.

Further details concerning the officers whose names have been entered in the tables under the more important offices are to be found in Appendix IV.

TABLE A—BEFORE MAY 21, 1935.

¹ Previously known as: Wehrmachtsabteilung: Feb. 1, 1926–Feb. 28, 1929.
Ministeramt² Previously known as: Wehramt

Führer and Reich Chancellor
and
Supreme Commander



¹Known after October 1936 as Wehrmachtamt.

² Later Military Economics Staff.

³ The term High Command of the

September 1943.

Appendix II

ORGANIZATION OF THE GERMAN FOREIGN MINISTRY APRIL 1935 — MARCH 1936¹

THE REICH FOREIGN MINISTER

Freiherr von Neurath

Secretariat: Counsellor von Kotze

THE STATE SECRETARY OF THE FOREIGN MINISTRY

Dr. von Bülow

Secretariat: Secretary of Legation Dr. von Bargaen

PROTOCOL

Senior Counsellor Minister Count von Bassewitz (until August 1935)

Senior Counsellor Minister von Bülow-Schwante (from December 1935)

Consul von Levetzow

Secretary of Legation von Reichert

REFERAT DEUTSCHLAND²

Observation of internal political events which are important for external policy; observation of reactions abroad to internal political events; assisting the State Secretary in his contacts with other internal offices; Olympic Games, etc.:

Senior Counsellor von Bülow-Schwante

Counsellor Dr. Röhreke

Secretary of Legation Dr. Schumburg

Consul Dr. Hinrichs (from January 1936)

SONDERREFERAT S

COMMISSIONER FOR INTERNATIONAL SHIPPING QUESTIONS AND DELEGATE
TO THE RIVER COMMISSIONS:

Senior Counsellor Dr. Martius

DEPARTMENT I

PERSONNEL AND BUDGET DEPARTMENT

Director of Department:

Ministerialdirektor Dr. Freiherr von
Grünau

¹ This organization plan has been compiled from the Foreign Ministry's organization plans of January 1933 (M352/M017736-53) and May 1935 (M352/M017758-61), from circulation lists and announcements of appointments found in the files, and from other information at the disposal of the editors.

² Directive IA 397 of Mar. 20, 1933 (K900/K223903-04), reconstituted Referat Deutschland (which had been dissolved in January 1931) and placed it under the immediate control of the State Secretary. The list of duties has been condensed from a memorandum of Jan. 24, 1934 (6990/E522301-02).

| | |
|---|--|
| Head of Budget and Financial Affairs: | Senior Counsellor Dr. Bode (until November 1935) Counsellor of Legation Dr. Schellert (from November 1935) |
| Special Duties: | Senior Counsellor (unassigned) Schroetter |
| I H Organization of the Foreign Service; personal data on higher officials etc.: | Senior Counsellor von Wühlisch Counsellor Dr. Mayr-Falkenberg |
| I M Personal data on other officials; organization and efficiency of the working of the Ministry: | Senior Counsellor Dr. Schmidt-Rolke |
| I B Salaries and allowances: | Counsellor of Legation Dr. Schellert (until November 1935) Counsellor Dr. Bischof (from November 1935) |
| I D Administration of funds for official requirements: | Senior Counsellor Dr. Hempel Counsellor Dr. von Pannwitz |
| I R Preparation and general administration of the budget, and general questions relating thereto: | Senior Counsellor Kammeler Counsellor Dr. Richter Consul (unassigned) Reinhardt |
| I Z Cipher and Communications: | Oberregierungsrat Selchow |
| I K Liaison with Propaganda Ministry on matters concerning the arts and sport: | Consul Bergfeld |
| Library: | Dr. Holleck-Weithmann |
| Political archives: | Senior Counsellor Dr. Stieve (Department VI) Secretary of Legation Dr. Kaempfe (until October 1935) Secretary of Legation Dr. Frauendienst (from October 1935) |
| Language Services: | Oberregierungsrat Gautier Counsellor Dr. Schmidt (Paul) |

DEPARTMENT II

WEST, SOUTH AND SOUTH-EAST EUROPE, AND, FROM SEPTEMBER 1935,
EASTERN EUROPE AND SCANDINAVIA

| | |
|-------------------------|--|
| Director of Department: | Ministerialdirektor Dr. Köpke (until December 1935) ³ |
|-------------------------|--|

³ A directive of Dec. 20, 1935 (L538/L155227) states that Ministerialdirektor Dieckhoff would take over the direction of Department II for the duration of Köpke's illness. Köpke's resignation became effective shortly afterwards and Dieckhoff continued to be in charge of the Geographical Departments until the reorganization of the Ministry in May 1936.

West, South and South-East Europe

| | |
|--|---|
| Deputy Director: | Senior Counsellor von Renthe-Fink |
| Western Europe: | Counsellor von Rintelen |
| France: | Secretary of Legation Dr. Wolf (Gerhard) |
| Belgium, Netherlands, Luxemburg, Switzerland: | Secretary of Legation Dr. Hertz |
| South and South-East Europe: | Senior Counsellor Dr. Heinburg |
| Albania, Greece, Italy: | Counsellor Dr. Lorenz |
| Bulgaria, Yugoslavia, Rumania: | Counsellor Dr. Busse |
| Austria, Hungary, Czechoslovakia: | Counsellor of Legation Dr. Altenburg (Günther) |
| Vatican: | Senior Counsellor Dr. Menshausen |
| League of Nations: | Senior Counsellor von Kamphoevener |
| Spain, Portugal: | Senior Counsellor von Kamphoevener Counsellor of Legation Dr. Dumont |
| Saar Territory: | Senior Counsellor Dr. Voigt (until September 1935) Counsellor Strohm |
| Questions of War Guilt: | Senior Counsellor Mundt (until May 1935) Counsellor Dr. Schwendemann (act- ing) (May to July 1935) Senior Counsellor Dr. Stieve (from August 1935) Secretary of Legation Dr. Frauen- dienst (from August 1935) |
| Military and aviation questions, Dis- armament: | Senior Counsellor Dr. Frohwein (until February 1936) Senior Counsellor von Kamphoevener (from February 1936) Counsellor Dr. von Schmieden Counsellor Dr. Schwendemann (until November 1935) Consul Schulz-Sponholz Secretary of Legation von Bülow (Adolf) Secretary of Legation Dr. Kordt (Erich) |

Eastern Europe and Scandinavia (from September 23, 1935):⁴

| | |
|------------------|---|
| Deputy Director: | Senior Counsellor Roediger (Conrad) |
| Russia: | Counsellor von Tippelskirch (until October 1935) Consul Hencke (from November 1935) Counsellor Ramm Secretary of Legation von Stechow |

⁴ See footnote 7 below.

| | |
|--------------------------------|---|
| Poland, Danzig: | Senior Counsellor von Lieres und Wilkau Consul Dr. Schwarz Secretary of Legation Count Adelman (until December 1935) Landesgerichtsrat Dr. von Grolman Vice Consul Bergmann (from January 1936) |
| Scandinavia and Baltic States: | Counsellor of Legation von Grundherr Counsellor Dr. Mey Secretary of Legation von Halem |
| Economic Questions: | Counsellor of Legation von Bräutigam (until December 1935) Consul Balser (from January 1936) |

DEPARTMENT III

GREAT BRITAIN, IRELAND, THE DOMINIONS AND BRITISH POSSESSIONS,
THE UNITED STATES OF AMERICA, CENTRAL AND SOUTH AMERICA, THE
ORIENT, INTERNATIONAL SHIPPING QUESTIONS, COLONIAL AFFAIRS
AND, FROM SEPTEMBER 1935, THE FAR EAST

| | |
|--|--|
| Director of Department: | Ministerialdirektor Dr. Dieckhoff ⁵ |
| Deputy Director: | Senior Counsellor Dr. Prüfer |
| Great Britain, Ireland, the Dominions and British possessions: | Counsellor of Legation Rüter |
| USA and possessions (except Philippines), Mexico, Cuba, Haiti, Dominican Republic, Liberia: | Senior Counsellor Dr. Fuehr (until February 1936) Senior Counsellor Dr. Davidsen Vice Consul Krienen |
| Questions concerning German property in the United States; American claims for compensation: | Senior Counsellor Dr. Albrecht (Department V) |
| Central and South America: | Senior Counsellor Dr. Poensgen Secretary of Legation Dr. Anderson Secretary of Legation Doertenbach (until October 1935) Regierungsrat Bogs (October to December 1935) Secretary of Legation Dr. Maciejewski (from January 1936) |
| International shipping questions; fisheries; international railway matters: | Senior Counsellor Bleyert |
| Orient (Egypt, Ethiopia, Afghanistan, Arabia, Ceylon, India, Iraq, Palestine, Persia, Sudan, Syria, Turkey); Jewish political matters in the Orient: | Counsellor of Legation Pilger Secretary of Legation Rahn Dr. Schlobies |

⁵ Ministerialdirektor Dieckhoff also took charge of Department II after Dec. 20, 1935. See footnote 3 above.

III K Colonial Affairs:

| | |
|---|--|
| Head: | Ministerialdirigent Brückner (until December 1935) |
| Personal affairs of former colonial officials: | Ministerialdirigent Brückner (until December 1935) |
| East Africa; legal matters: | Senior Counsellor Gunzert |
| West Africa, South-West Africa, Pacific Islands, the Mandate system, slavery, colonial organizations and research etc.: | Counsellor of Legation von Strahl (until November 1935) Counsellor Dr. Seger (from July 1935) |

The Far East (from September 23, 1935):⁶

| | |
|---|-------------------------------------|
| Deputy Director: | Senior Counsellor von Erdmannsdorff |
| China: | Counsellor of Legation Kühlborn |
| Japan: | Counsellor Rohde |
| South-East Asia and general economic questions of the Far East: | Secretary of Legation Voss |

DEPARTMENT IV

EASTERN EUROPE, SCANDINAVIA AND EAST ASIA (UNTIL SEPTEMBER 1935)⁷

| | |
|-------------------------|-------------------------------------|
| Director of Department: | Ministerialdirektor Meyer (Richard) |
|-------------------------|-------------------------------------|

Eastern Europe and Scandinavia:

| | |
|--------------------------------|---|
| Deputy Director: | Senior Counsellor Hey (until August 1935) |
| Russia: | Counsellor von Tippelskirch Counsellor Ramm Secretary of Legation von Stechow |
| Poland, Danzig: | Senior Counsellor von Lieres und Wilkau Consul Dr. Schwarz Secretary of Legation Count Adelman Landesgerichtsrat Dr. von Grolman |
| Scandinavia and Baltic States: | Counsellor of Legation von Grundherr Counsellor of Legation Baron von Behr (June to August 1935) Counsellor Dr. Mey Counsellor Dr. Eckner (until August 1935) Secretary of Legation von Halem |
| Economic Questions: | Counsellor of Legation von Bräutigam |

⁶ See footnote 7 below.⁷ Department IV was disbanded by a directive of Sept. 21, 1935 (8799/E613455). The East Asia section with all its officials, under Senior Counsellor von Erdmannsdorff, was attached to Department III; the Eastern Europe and Scandinavia section, with all its officials, was attached to Department II and placed under Senior Counsellor Roediger. The designations IV Po, IV Ru etc., were retained.

Far East:

| | |
|---|-------------------------------------|
| Deputy Director: | Senior Counsellor von Erdmannsdorff |
| China: | Counsellor of Legation Kühlborn |
| Japan: | Counsellor Rohde |
| South-East Asia and general economic questions of the Far East: | Secretary of Legation Voss |

DEPARTMENT V

LEGAL DEPARTMENT

| | |
|---|---|
| Director of Department: | Ministerialdirektor Dr. Gaus |
| Deputy Director: | Senior Counsellor Dr. Barandon |
| V A International law, arbitration questions etc.: | Senior Counsellor Dr. Woermann Regierungsrat Vogel |
| V B Trade treaties and concessions; extraterritorial rights, international traffic law, consular law etc.: | Counsellor Busch |
| V S Constitutional and administrative law; nationality; ecclesiastical law; extradition; penal law: | Senior Counsellor Dr. Siedler |
| V P Labour law; International Labour Office; Police, particularly aliens section; international motor vehicle law; Universal Postal Union etc.: | Counsellor Rödiger (Gustav) |
| V D Taxation law; social insurance; opium etc.: Customs affairs of German and foreign diplomats: | Senior Counsellor Dehl (until September 1935) Consul Dr. Sethe (from 1935) |
| V C International private law; international legal protection and legal aid in civil matters etc.: | Senior Counsellor Dr. Albrecht Secretary of Legation von Haeften (Gerrit) |

DEPARTMENT VI

CULTURAL POLICY DEPARTMENT

| | |
|--|--|
| Director of Department: | Senior Counsellor Dr. Stieve |
| Deputy Director: | Senior Counsellor Dr. von Twardowski (from November 1935) |
| VI A German racial groups abroad; minority questions; Evangelical Church and mission affairs; emigration and repatriation: | Senior Counsellor Dr. Roediger (Conrad) (until September 1935) Senior Counsellor Dr. von Twardowski (from November 1935) Counsellor Dr. Kundt Counsellor Dr. Freudenberg (until July 1935) Hofrat Pollow (until December 1935) Dr. Goeken |

| | | |
|-------|--|---|
| VI W | General cultural policy; Catholic Church and mission affairs; cultural relations with foreign countries: | Senior Counsellor Dr. Oster Secretary of Legation Dr. von Stolzmann Secretary of Legation Dr. Bock (until July 1935) Secretary of Legation Dr. Stelzer (until November 1935) Consul Dr. Roth (from November 1935) Secretary of Legation Resenberg (from February 1936) R. O. I. Fleissner |
| VI S | German educational system abroad; youth movements: | Senior Counsellor Dr. Böhme Consul Döppfel Oberkirchenrat Langmann (from October 1935) |
| VI Nf | Enquiries abroad about Reich Germans: | Counsellor Dr. Kundt |
| VI H | Administration of the funds of the department: | Secretary of Legation Dr. Bock (until July 1935) Consul Dr. Roth (from November 1935) Hofrat Krüger |

PRESS DEPARTMENT (P)⁸

| | |
|---|---|
| Head of Department: | Senior Counsellor Aschmann |
| Attached: | Fräulein Dr. Blesch |
| Albania, Bulgaria, Greece, Yugoslavia, Austria, Rumania, Czechoslovakia, Hungary: | Counsellor Wolf (Gustav) |
| France and Colonies, Belgium and Colonies, Italy, Luxemburg, Morocco, League of Nations: | Counsellor Braun von Stumm |
| Great Britain, Ireland, Dominions and Colonies (except India), United States of America, Netherlands: | Consul Dr. Drechsler (until July 1935) |
| Central and South America, Liberia, Spain, Portugal, Vatican: | Secretary of Legation von Strempel |
| Poland, Russia, Orient: | Consul (unassigned) Dr. Schönberg |
| Scandinavia: | Secretary of Legation Dr. Schlemann |
| East Asia, Switzerland: | Senior Counsellor (unassigned) Dr. Katzenberger |

ECONOMIC DEPARTMENT (W)

| | |
|-------------------------|--|
| Director of Department: | Ministerialdirektor Dr. Ritter |
| Deputy Director: | Senior Counsellor Dr. Ulrich (until September 1935) Senior Counsellor Benzler (from October 1935) |

⁸ There appears to have been some redistribution of duties in the Press Department after July 1935; the tasks previously allocated to Consul Dr. Drechsler were largely merged with those of Secretary of Legation von Strempel, the Netherlands were henceforth dealt with by Senior Counsellor Dr. Katzenberger and the Vatican by Counsellor Braun von Stumm.

| | |
|--|---|
| Leader of delegation for negotiation of commercial treaties: | Counsellor of Embassy Dr. Hemmen |
| Generalreferat W: | |
| General economic and financial questions, clearing agreements: | Counsellor Baer Secretary of Legation Dr. Freiherr von Maltzan |
| W I France and Colonies, Belgium and Colonies, Spain and Colonies, Portugal and Colonies: | Senior Counsellor Benzler (until October 1935) Senior Counsellor Sabath Counsellor Wingen (from May 1935) Vice Consul Hollberg (until July 1935) |
| W II Italy and Colonies, Austria, Hungary, Czechoslovakia, Yugoslavia, Albania, Bulgaria, Rumania, Greece: | Counsellor of Legation Dr. Clodius |
| W III Great Britain, British Dominions and Colonies, Turkey, Orient, North and South America: | Counsellor Dr. Kroll Secretary of Legation van Scherpenberg (from December 1935) |
| W IV Scandinavia, Baltic States, Poland, China, Japan, and, as far as is necessary, Russia: | Secretary of Legation Dr. Knoll |
| W V Import of goods subject to or about to be subject to monopoly regulations: | Secretary of Legation Dr. Werkmeister |
| W Spez Economic questions relating to ethnic communities: | Counsellor Dr. Schwager |
| Reich Office for Foreign Trade: | Senior Counsellor (unassigned) Dr. Bosenick |

[Counsellor Mackeben took over Poland and Sanctions Questions in November 1935.]

Appendix III

LIST OF GERMAN FILES USED

The following table identifies the German file from which each document has been derived. The documents of the Foreign Ministry were bound into volumes by the Germans. As documents in these volumes have been microfilmed, each film of a file has been identified by a film serial number, while each page of the documents has been identified by a frame number stamped on the original at the time of filming. The documents published in this collection are identified by the film serial number and frame numbers in the upper left-hand corner of each document. By reference to the following table of film serial numbers the location in the German Foreign Ministry archives of the copy of the document used in this publication may be determined. In some few cases separate files, usually on closely related topics, have been filmed consecutively under a single serial number; these are marked with an asterisk (*). A number of serials are given as supplementary to earlier ones; these are cases where re-examination of the file in question indicated that additional filming might be useful to scholars or, as is more often the case, where in the process of editing for publication the editors wished to provide a film record of documents of lesser importance to which references appeared in the documents selected. The files of the Reich Chancellery, the Reich Foreign Minister and the State Secretary are each in two collections (cf. volume I of this Series, Appendix V, items 13, 14, 50, 52, 166 and 167) which are not divided by a clear-cut date line and which, at certain points in this volume, overlap. In order to identify the collection from which any particular document has been taken, the earlier collection has in each case been marked [I] and the later one [II].

| <i>Film Serial Numbers</i> | <i>Title of File</i> |
|--------------------------------|---|
| C 75 | Reich Chancellery [II]: Great Britain. |
| 115 | Reich Foreign Minister [II]: Austria, Latvia, Liechtenstein, Lithuania, Memel.* |
| 116 | Reich Foreign Minister [II]: Albania, Africa, Croatia, Danzig, Estonia.* |
| 147 | Reich Foreign Minister [II]: Poland/Danzig. |
| 166 | Under State Secretary: Japan (Military Coup in Tokyo). German Embassy in Italy: Secret Papers: Japan-China-Manchukuo. German Embassy in Russia: Secret Papers: Political Relations of the Soviet Union with Japan, Manchukuo, Chinese-Japanese War.* |
| 693 | Referat Deutschland (later Inland II A-B): Relations of NSDAP Organizations Abroad with the Governments of the Host Countries. |
| 701 | German Embassy in Italy: Secret Papers, 1936. |
| 769 | Department II F Secret: Demilitarized Zone. |
| 1368 | Reich Foreign Minister [I]: Memoranda prepared by the Reich Minister. |
| 1246 | |

| <i>Film Serial Numbers</i> | <i>Title of File</i> |
|--------------------------------|--|
| 1506 | Reich Chancellery [II]: Great Britain. |
| 1514 | Reich Chancellery [II]: France. |
| 1549 | Reich Chancellery [II]: Austria. |
| 1574 | State Secretary [I]: Memoranda on Internal Directives, Views on Specific Questions, Notes etc. |
| 2067 | Geheimakten: Naval Attaché London. |
| 2339 | Reich Chancellery [II]: Général Foreign Policy. |
| 2368 | Reich Foreign Minister [I]: Great Britain. |
| 2406 | Reich Foreign Minister [I]: France. |
| 2784 | Reich Foreign Minister [I]: Italy. |
| 2945 | Reich Foreign Minister [I]: Poland. |
| 2980 | Reich Foreign Minister [I]: Hungary, Rumania.* |
| 3015 | Reich Foreign Minister [I]: Netherlands, Luxemburg, Eupen-Malmédy, Switzerland, Spain, Portugal, Denmark and Schleswig, Norway, Sweden, Finland, Estonia, Lithuania, Latvia, Memel, Danzig.* |
| 3086 | Reich Foreign Minister [I]: Austria. |
| 3087 | Reich Foreign Minister [I]: United States of America. |
| 3088 | Reich Foreign Minister [I]: Abyssinia, Afghanistan, China, Colonies, Egypt, Japan, Persia, Siam.* |
| 3154 | Reich Foreign Minister [I]: Disarmament. |
| 3175 | German Embassy in Italy: Secret Papers, 1936. |
| 3177 | Reich Foreign Minister [I]: Military Affairs, Economic Policy, Germans Abroad,* Internal Situation, Informatory Memoranda. |
| 3242 | Reich Foreign Minister [I]: Mussolini-Laval Decisions at Rome; Article 16 of the League Covenant.* |
| 3317 | State Secretary [II]: Western Pact. |
| 3598 | Reich Chancellery [I]: Cabinet Protocols. |
| 3617 | Reich Chancellery [I]: Integration of the Danubian Countries. |
| 3648 | Office of the Adjutants of the Führer: Ministers' Correspondence with the Führer or his Adjutants. |
| 3767 | German Legation in Bulgaria: Import and Export of War Material, Bulgarian Rearmament, Deliveries of Arms, Secret Papers. |
| 3781 | Economic Policy Department: Wiewl Papers—Russia. |
| 3857 | German Legation in Switzerland: Murder of Gustloff. |
| 4601 | State Secretary [I]: Memoranda on Conversations with and Visits of non-Diplomatic Personages. |
| 4602 | State Secretary [I]: Memoranda on Visits of Diplomats. |
| 4619 | State Secretary [I]: Correspondence with and Memoranda by the Reich Minister. |
| 4620 | State Secretary [I]: Political Correspondence with Officials of the Foreign Service. |
| 4939 | German Legation in Austria: Secret Papers. |
| 5138 | Direktoren: Köpke Papers—Austria. |
| 5246 | Reich Chancellery [II]: Poland, Portugal.* |
| 5482 | Göring Personal Staff [<i>Stabsamt</i>]: Reports on Foreign Countries (1933-1939). |
| 5552 | Direktoren: Meyer Papers—Upper Silesia, Interessengemeinschaft, Miscellaneous Political Papers; Russia, Ukraine, Danzig, Upper Silesia, Poland; Danzig.* |
| 5560 | Geheimakten: Law on War Material. |

*Film Serial
Numbers**Title of File*

- | | |
|------|---|
| 5562 | Geheimakten: Imports and Exports of War Material from and to the Balkan States. |
| 5563 | Geheimakten: War Material, Europe. |
| 5573 | Geheimakten: Military Policy. |
| 5576 | Geheimakten: Military Attaché, London (also Brussels and the Hague). |
| 5577 | Supplementary to 2067. |
| 5592 | Economic Department: Treaties, Italy—Traffic Agreement; Rumanian Mineral Oil Products. |
| 5606 | Geheimakten: Military Attaché, Paris. |
| 5609 | Geheimakten: Military Attaché, Rome (also Budapest). |
| 5642 | Ministerialdirektor Ritter: Italy. |
| 5643 | Ministerialdirektor Ritter: Poland. |
| 5644 | Economic Policy Department: Clodius Papers—Russia. |
| 5649 | Economic Policy Department: Clodius Papers—United States of America. |
| 5650 | Economic Policy Department: Wiehl Papers—Minutes of the Commercial Policy Committee. |
| 5667 | Ministerialdirektor Ritter: Turkey. |
| 5669 | Department II Pol.: Political Relations of France with Germany. |
| 5703 | Geheimakten: Military Attaché, Tokyo. |
| 5704 | Geheimakten: Military Attaché, Belgrade. |
| 5705 | Geheimakten: Military Attaché, Vienna (also Berne and Sofia). |
| 5730 | Department III Pol.: Political Relations of Great Britain with Germany. |
| 5737 | Department II Pol.: Political Relations of Italy with Germany. |
| 5740 | Department III Pol.: Political Relations of Great Britain with Germany. |
| 5747 | Department III Pol.: Political Relations of the United States of America with Germany. |
| 5752 | Department IV Pol.: Political Relations of Poland with Germany. |
| 5753 | Department II Pol.: Italian-Austrian-Hungarian Conversations in Rome of March 1934 (1934-1936). |
| 5817 | Reich Chancellery [II]: Ceded Territories, Danzig. |
| 5865 | Geheimakten: Political Relations of Bulgaria with Germany. |
| 5873 | Geheimakten: Political Relations of Greece with Germany. |
| 5885 | Geheimakten: Revision Questions. |
| 5888 | Geheimakten: Military Attaché, Prague (also Belgrade and Bucharest). |
| 5892 | Geheimakten: Military Attaché in the Soviet Union. |
| 5942 | Press Department: Russia—Press, Propaganda and General Matters. |
| 5993 | Geheimakten: Italy—Trade Treaty Relations with Germany. |
| 6001 | Geheimakten: Political Relations of Italy with Germany. |
| 6023 | Department IV Pol.: Political Relations of Danzig with Germany. |
| 6024 | Department IV Pol.: Political Relations of Japan with Germany. |
| 6025 | Department IV Pol.: Political Relations of Russia with Germany. |
| 6064 | Geheimakten: Political Relations of Yugoslavia with Germany. |
| 6079 | Geheimakten: Austria—Internal Politics, Parliament and Parties. |
| 6081 | Geheimakten: Austria—Reports by Minister von Papen to the Führer. |

*Film Serial
Numbers**Title of File*

- 6084 Geheimakten: Austria—Former Ruling Families.
 6097 Department II Pol.: Political Relations of Switzerland with Germany.
 6100 German Legation in Switzerland: German National Socialism in Switzerland.
 6108 Department II Pol.: Switzerland—National Socialism, Fascism, and similar Movements.
 6108 Supplementary to 3857.
 6111 Geheimakten: National Socialism, Fascism etc. in Austria.
 6114 Geheimakten: Austria—National Socialism, Negotiations to achieve Unity.
 6116 Geheimakten: Austria—National Socialism, Economic Measures.
 6127 Geheimakten: Rumania—German Communities Abroad.
 6144 Geheimakten: Czechoslovakia—Nationality Question, Foreign Communities.
 6147 Geheimakten: Hungary—Exchange of Visits of Leading Statesmen.
 6174 Geheimakten: Political Relations of Poland with Germany.
 6195 Geheimakten: Poland—79th Session of the Council of the League of Nations.
 6199 Geheimakten: Poland—Statesmen: Pilsudski.
 6203 Geheimakten: Financial Relations of Danzig with Germany.
 6204 Geheimakten: Financial Relations of Danzig with Poland.
 6206 Geheimakten: Political Relations of Danzig with Germany.
 6207 Geheimakten: Danzig—Internal Politics.
 6567 Supplementary to 166.
 6603 Geheimakten: Security Pact (Northern, Eastern Locarno, Baltic Entente).
 6606 Geheimakten: Political Relations of Memel with Germany.
 6609 Geheimakten: Political Relations of Russia with Germany.
 6621 Geheimakten: Bolshevism in Bulgaria.
 6646 Economic Policy Department: Wiehl Papers—Rumania.
 6680 Geheimakten: China—Barter Transactions and Economic Agreements, Klein's Projects.
 6690 Geheimakten: Economic negotiations between Germany and Russia.
 6691 Geheimakten: Far East—General.
 6695 Geheimakten: Franco-Russian Proposals for an Eastern Pact.
 6710 Department II F Abr.: Proclamation of German Sovereignty in the Rhineland Zone.
 7208 German Embassy in Italy: Italy—General Foreign Policy.
 7362 Department II F Abr.: German Construction of Pocket Battle-ships.
 7433 Party Agencies: Confidential Memoranda.
 7456 Department II F Abr.: Naval Conference 1935.
 7467 Department II F Abr.: Mussolini's Proposals and Disarmament Negotiations after Germany's Withdrawal from the Disarmament Conference.
 7468 Department II F Abr.: German-British Naval Negotiations 1935-1936.
 7512 Department III Pol.: Great Britain—General Foreign Policy.

*Film Serial
Numbers**Title of File*

| | |
|------|--|
| 7519 | Department III Pol.: Political Relations of Great Britain with Rumania. |
| 7530 | Supplementary to 2067. |
| 7559 | Supplementary to 2067. |
| 7562 | Reich Chancellery [I]: Security. |
| 7570 | Reich Chancellery [II]: Memoranda by Dr. Willuhn on Economic Questions. |
| 7596 | German Consulate General in Danzig: Miscellaneous Secret Papers. |
| 7620 | Department III Pol.: Great Britain—Heads of State and their Families. |
| 7621 | German Legation in Austria: Great Britain and Colonies. |
| 7642 | Supplementary to 5576. |
| 7680 | German Embassy in Italy: The Danubian States. |
| 7692 | Department II FM: Universal Military Service. |
| 7704 | Supplementary to C 75. |
| 7721 | Economic Department: Foreign Exchange—Germany and Great Britain. |
| 7790 | Naval Archives: SK 20—Anglo-German Naval Agreement; Naval Conference 1935–1936, Preliminary Negotiations.* |
| 7825 | Department II Pol.: Meeting between Laval and Mussolini in Rome and Repercussions (Pact of Non-Intervention). |
| 7826 | Department II Pol.: Danubian Pact. |
| 7846 | Department II F Abr.: Air-Locarno. |
| 7849 | Department II Pol.: Political Relations of Yugoslavia with Hungary; Rumania—Annual Reports.* |
| 7881 | Department II F Abr.: Demilitarized Zone. |
| 7898 | Department II FM: Law on War Material. |
| 7964 | Press Department: Collected Papers. |
| 7965 | German Embassy in France: German Guarantee Offer, Security Pact, Locarno. |
| 8015 | Department III Pol.: Political Relations of Ethiopia with Italy. |
| 8016 | Department III Pol.: Ethiopian-Italian Conflict—Sanctions Measures against Italy. Repercussions on Germany. |
| 8017 | Department III Pol.: Ethiopian-Italian Conflict—Attitude of the British Empire towards Sanctions against Italy. |
| 8019 | Department III Pol.: Ethiopian-Italian Conflict—Attitude of France (Morocco, Tunis, Syria) towards Sanctions against Italy. |
| 8020 | Department III Pol.: Ethiopian-Italian Conflict—Attitude of Italy towards Sanctions. |
| 8021 | Department III Pol.: Ethiopian-Italian Conflict—Attitude of Austria, Hungary towards Sanctions against Italy. |
| 8022 | Department III Pol.: Ethiopian-Italian Conflict—Attitude of the Far East (China, Japan, Siam) towards Sanctions against Italy. |
| 8023 | Department III Pol.: Ethiopia—Pronouncements of the League of Nations. |
| 8024 | Department III Pol.: Ethiopian-Italian Conflict—Anglo-French Peace Proposals. |
| 8025 | Department III Pol.: Ethiopia—Military Affairs. |
| 8026 | German Legation in Austria: Italy. |

*Film Serial
Numbers*

Title of File

| | |
|------|--|
| 8033 | Press Department: Measures to enhance German Prestige in Japan. |
| 8034 | Press Department: Italy—Press, Propaganda, and General Matters. Secret. |
| 8035 | Reich Chancellery [II]: Italy. |
| 8036 | Supplementary to 7680. |
| 8038 | German Embassy in Italy: Secret Papers, 1936. |
| 8040 | Department II Pol.: Danubian Pact. |
| 8053 | Department II Pol.: Italy—National Socialism, Fascism, and Similar Movements. |
| 8055 | German Embassy in Italy: Ethiopia, Political. |
| 8057 | German Embassy in Italy: Ethiopia, Sanctions. |
| 8060 | Economic Department: Foreign Exchange—Germany and Italy. |
| 8066 | German Embassy in Italy: Germany—Domestic and Foreign Policy; Miscellaneous Domestic Matters. |
| 8069 | Department II F Luft.: Reports from von Waldau. |
| 8071 | Reich Chancellery [II]: Italy, Ethiopian-Italian Conflict. |
| 8111 | Department II Pol.: Political Relations of the Holy See with Germany. |
| 8112 | German Embassy to the Holy See: Secret Papers. |
| 8115 | Department II Pol.: Holy See—Conclusion of Concordats with Germany and the German <i>Länder</i> (except Prussia). |
| 8116 | Department II Pol.: Attitude of the Holy See towards Bolshevism, Communism, Socialism, Fascism, National Socialism etc. |
| 8125 | German Embassy to the Holy See: Reich Concordat. |
| 8216 | Department II Pol.: France—Internal Politics, Parliament and Parties. |
| 8217 | Department II Pol.: France—General Foreign Policy. |
| 8219 | Supplementary to 5669. |
| 8456 | Department II BG: Political Questions in Eupen and Malmédy—General. |
| 8463 | Department II Pol.: Political Relations of Belgium with France. |
| 8468 | Department II Pol.: Political Relations of Belgium with Germany. |
| 8541 | Press Department: Ban on the <i>Baseler Nachrichten</i> . |
| 8546 | Legal Department: Switzerland—Swiss Criminal Proceedings against David Frankfurter for the Murder of the Landesgruppenleiter of the NSDAP, Wilhelm Gustloff. |
| 8554 | Supplementary to 6097. |
| 8595 | Department III Pol.: USA—General Foreign Policy. |
| 8597 | Economic Department: Foreign Exchange—Germany and the United States of America. |
| 8621 | Department III Pol.: Political Relations of Turkey with Foreign Countries. |
| 8626 | Department III Pol.: Political Relations of Turkey with Germany. |
| 8627 | Economic Department: Foreign Exchange—Germany and Turkey. |
| 8628 | Department III Pol.: Political Relations of Turkey with France. |
| 8631 | Department III Pol.: Turkey—Naval Matters. |
| 8637 | Geheimakten: Military Attaché, Vienna (also Berne and Sofia). |

*Film Serial
Numbers**Title of File*

- | | |
|------|---|
| 8640 | Department II Pol.: Austria—General Foreign Policy. |
| 8642 | Department II Pol.: Austria—Political Journeys of Foreign Statesmen and other Important Personages. |
| 8645 | Department II Pol.: Austria—Internal Politics, Parliament and Parties. |
| 8654 | Department II Pol.: Austria—Ministries. |
| 8656 | Department II Pol.: Austria—Former Ruling Families. |
| 8662 | Department II Pol.: Austria—National Socialism, Austrian Complaints. |
| 8663 | Department II Pol.: Austria—National Socialism, German Complaints and Countermeasures. |
| 8692 | Department II Pol.: League of Nations Section—Germany: Withdrawal from the League of Nations. |
| 8694 | Department II F Abr.: League of Nations Affairs. |
| 8734 | Legal Department, Secret: Switzerland—Frontier Incident, Salomon Jacob. |
| 8748 | German Embassy in France: Papers of Ambassador Köster. |
| 8753 | Legal Department: Locarno Conference. |
| 8757 | Supplementary to 7846. |
| 8766 | Supplementary to 7562. |
| 8771 | Department VI (Kult Pol.): Fostering of German Communities Abroad, General. |
| 8772 | Department VI (Kult Pol.): the <i>Volksdeutsch</i> Council. |
| 8777 | Legal Department: Jewish and Refugee Questions. |
| 8780 | Supplementary to 7692. |
| 8788 | Referat Deutschland (later Inland II A-B): Jews in Germany. |
| 8790 | Referat Deutschland (later Inland II A-B): Boycott of German Goods in Foreign Countries. |
| 8797 | Department III Pol.: Political Relations of South Africa with Germany. |
| 8808 | Department II F Abr.: Aerial Disarmament. |
| 8809 | Department IV Pol.: Political Relations of Russia with Czechoslovakia. |
| 8826 | Direktoren: Meyer Papers—Danzig, Finance and Currency. |
| 8828 | Direktoren: Meyer Papers—Danzig. |
| 8832 | Department IV Pol.: Poland—General Foreign Policy. |
| 8842 | Asservat: Miscellaneous Official Papers. |
| 8880 | Department IV Pol.: Heads of States and their Families (Sweden). |
| 8886 | Department IV Pol.: Japan—Internal Politics, Parliament and Parties. |
| 8887 | Department IV Pol.: Political Relations of Japan with Russia. |
| 8911 | Department II Pol.: Political Relations of Czechoslovakia with Germany. |
| 8918 | Department IV Pol.: Political Relations of Lithuania with Germany. |
| 8919 | Department IV Pol.: German-Lithuanian Settlement Negotiations. |
| 8921 | Department IV Pol.: Political Relations of Lithuania with Memel. |
| 8923 | Department IV Pol.: Lithuanian Relations with Memel (Trial of Neumann <i>et alii</i>). |

*Film Serial
Numbers*

Title of File

- 8937 Department II Pol.: Political Relations of Austria with Czechoslovakia.
- 8958 Geheimakten: Political Relations of Lithuania with Memel.
- 8967 Geheimakten: Memel—Internal Politics, Parliament and Parties.
- 8983 German Embassy in Italy: Austria, Political.
- 8987 Economic Department: Barter Transactions and Trade Agreements between Germany and Manchukuo.
- 8990 Department IV Pol.: Mongolia, General—Outer and Inner Mongolia.
- 8991 Ministerialdirektor Ritter: Manchukuo.
- 8992 Economic Department: The Economic Commission for East Asia.
- 9006 Geheimakten: Memel—Customs Preferences and Forms.
- 9007 German Legation in Lithuania: German-Lithuanian Economic Negotiations.
- 9008 Reich Chancellery [II]: Lithuania.
- 9017 Department IV Pol.: Latvia—General Foreign Policy.
- 9018 Department IV Pol.: Political Relations of Latvia with Germany.
- 9021 Department IV Pol.: German Diplomatic and Consular Representatives in Latvia.
- 9027 Department IV Pol.: Political Relations of Estonia with Germany.
- 9037 Economic Department: Currency and Foreign Exchange Policy.
- 9045 German Embassy in Italy: Minorities, South Tyrol.
- 9061 Department IV W: Customs Relations of Danzig with Poland.
- 9062 Department IV Pol.: Danzig—Internal Politics, Parliament and Parties.
- 9074 Department II FM: War Material, General.
- 9075 Economic Policy Department: Clodius Papers—Manchukuo.
- 9076 Economic Policy Department: Treaties—Manchukuo.
- 9081 Department IV Pol.: Political Relations of Danzig with Poland.
- 9082 Department IV W: Danzig—Currency and Foreign Exchange Policy.
- 9096 Economic Policy Department: Treaties—Barter Transactions between Germany and Spain (Secret).
- 9139 Department II Pol.: Czechoslovakia—Ministries.
- 9144 Department II Pol.: Czechoslovakia—Internal Politics, Parliament and Parties.
- 9146 Department II Pol.: Political Relations of Czechoslovakia with Russia.
- 9147 Department II Pol.: Czechoslovakia—General Foreign Policy.
- 9149 Department II Pol.: Czechoslovakia—Nationalities, Foreign Minorities.
- 9163 German Consulate General in Danzig: Reichswehr, Military Affairs.
- 9172 German Embassy in Poland: Railway Payments to Poland arising from Transit Traffic through the Corridor.
- 9202 Department IV, Treaties: Poland—Economic Agreement, November 4, 1935.
- 9213 Economic Department: Foreign Exchange—Germany and Poland.
- 9250 Economic Department: Servicing of Germany's Foreign Loans.
- 9262 Economic Department: Governmental Organization of Foreign Trade.

*Film Serial
Numbers**Title of File*

| | |
|------|--|
| 9304 | Department II Pol.: Political Relations of Greece with Great Britain. |
| 9312 | Supplementary to 5562. |
| 9314 | Geheimakten: Political Relations of Italy with Great Britain. |
| 9357 | Department II Pol.: Political Relations of Yugoslavia with Hungary. |
| 9375 | Department IV W: Customs Tariff and Economic Negotiations of Russia with Germany. |
| 9379 | Department II Pol.: Yugoslavia—Ministries. |
| 9387 | Department IV W: Trade Relations of Russia with Germany. |
| 9391 | German Embassy in Poland: German-Polish Economic Agreements and Negotiations. |
| 9398 | Department IV W: Upper Silesia—Imports, Exports and Transit Trade. |
| 9400 | German Embassy in Italy: German Economic Policy, General. |
| 9414 | Economic Policy Department, Secret: Trade in War Material—Balkans. |
| 9458 | Department IV Pol.: Russia—General Foreign Policy. |
| 9530 | Department IV W: Trade Treaty Relations of Russia with Germany. |
| 9564 | Department II Pol.: Political Relations of Hungary with Germany. |
| 9565 | Department II Pol.: Hungary—Exchange of Visits of Leading Statesmen. |
| 9571 | Department II Pol.: Hungary—Internal Politics, Parliament and Parties. |
| 9572 | Department II Pol.: Hungary—Nationality Questions, Foreign Communities. |
| 9574 | Department II Pol.: Hungarian Diplomatic and Consular Representation Abroad (except in Germany), and <i>vice versa</i> . |
| 9582 | Economic Policy Department: Clodius Papers—Hungary. |
| 9583 | Economic Department: Foreign Exchange—Germany and Hungary. |
| 9586 | German Legation in Hungary: Secret Papers. |
| 9588 | Department II Pol.: Political Relations of Rumania with Germany. |
| 9590 | Department II Pol.: Political Relations of Rumania with Great Britain; with Russia.* |
| 9600 | German Legation in Hungary: Danubian Pact Questions. |
| 9607 | Supplementary to 6024. |
| 9608 | Department II Pol.: Little Entente. |
| 9612 | Department II Pol.: Göring. |
| 9614 | Reich Chancellery [II]: Hungary. |
| 9630 | Economic Policy Department: Treaties—German-Italian Agreements. |
| 9635 | Economic Policy Department: Treaties—German-British Payments Agreement. |
| 9637 | Economic Policy Department: Treaties—German-Netherlands Clearing Account. |
| 9692 | Economic Department: Foreign Exchange—Germany and Rumania. |

*Film Serial
Numbers*

Title of File

| | |
|--------|--|
| 9697 | Economic Department: Barter Transactions and Trade Agreements between Germany and Rumania. |
| 9722 | German Legation in Hungary: Nationalities in Hungary, German Minorities. |
| 9779 | Economic Department: Benzler Papers—Danubian Area. |
| 9841 | Department II, Treaties: Hungary—Trade Agreement, July 18, 1931. |
| 9842 | Department III Pol.: Turkey—Military Affairs. |
| 9944 | Naval Archives: 1 SKL I, Op. 23-1: Period of Tension following Entry into Rhineland. |
| K 1052 | Department III Pol.: Political and Cultural Propaganda in the United States of America. |
| K 1092 | Department II Pol.: Political Relations of Yugoslavia with Austria. |
| K 1108 | Department II Pol.: Austria—Military Affairs. |
| K 1226 | Department III Pol.: USA—German Diplomatic and Consular Representatives in the United States of America. |
| K 2312 | Department VI (Kult Pol.): Organizations and Institutes at Home. |
| M 82 | Supplementary to 9250. |
| M 85 | Economic Department: Cotton. |
| M 86 | Economic Department: Kroll Papers—America. |
| M 87 | Supplementary to 9400. |
| M 95 | German Embassy in Italy: Italy—General Foreign Policy. |
| M 100 | Supplementary to 7692, 8780. |
| M 101 | Department II F Luft.: Air Traffic, Africa. |
| M 115 | Supplementary to 8777. |
| M 123 | Press Department: Propaganda of Foreign States—France. |
| M 124 | Press Department: Collected Papers. |
| M 126 | German Embassy in Italy: von Hassell. |
| M 127 | German Embassy in France: Germany—President and Ministers. |
| M 128 | Economic Policy Department: Treaties—German-Turkish Trade. |
| M 154 | Press Department: Collected Papers. |
| M 169 | Reich Chancellery [I]: Trade Agreements with Africa. |
| M 173 | German Embassy in France: South Africa. |
| M 174 | Supplementary to 5576, 7642. |
| M 185 | Press Department: Bans on German Newspapers Abroad. |
| M 192 | Geheimakten: Political Relations of France with Germany. |
| M 193 | Supplementary to 6695. |
| M 194 | Supplementary to 7467. |
| M 196 | Department IV W: Financial Relations of Russia with France. |
| M 198 | Supplementary to 8748. |
| M 200 | Supplementary to 9096. |
| M 214 | Supplementary to 8621. |
| M 216 | Supplementary to 8886. |
| M 217 | Supplementary to 8021. |
| M 219 | Supplementary to 8025. |
| M 221 | Supplementary to 8546. |
| M 222 | Supplementary to 8456. |
| M 223 | Supplementary to 8771. |
| M 226 | Supplementary to 5817. |
| M 230 | Geheimakten: Poland/Danzig—State Finances, General. |

*Film Serial
Numbers**Title of File*

| | |
|-------|--|
| M 231 | Supplementary to 9061. |
| M 233 | Supplementary to 9202. |
| M 234 | Supplementary to 6023. |
| M 237 | Department IV W: Russia—Representation of German Firms Abroad. |
| M 239 | Referat Deutschland (later Inland II A-B): Interventions—Rumania. |
| M 240 | Supplementary to 9722. |
| M 241 | Supplementary to 9600. |
| M 242 | Supplementary to 8036. |
| M 243 | Supplementary to 3767. |
| M 244 | Department II Pol.: League of Nations Section—16th League Assembly, General. |
| M 254 | German Embassy in Italy: Ethiopia—Political. |
| M 255 | Supplementary to 8015. |
| M 256 | Supplementary to 8016. |
| M 258 | Supplementary to 8024. |
| M 260 | Reich Chancellery [II]: German Diplomatic and Consular Representatives Abroad. |
| M 261 | Department II, Treaties: Italy, Agreement regulating Trade between Germany and Italy. |
| M 270 | Economic Department: Loans, Securities. |
| M 272 | Supplementary to 8055. |
| M 273 | Supplementary to 5606. |
| M 274 | Geheimakten: Air Attaché, Rome. |
| M 276 | German Legation in Portugal: Portuguese Press, New Colonies for Germany. |
| M 288 | Department II Pol.: Supplementary to 8645. |
| F 11 | German Foreign Ministry film of files of the Reich Foreign Minister's Secretariat. (See Series D, volume IX, Appendix V, and the General Introduction to Series D, published in volumes I-IV, Section II.) |

Appendix IV

LIST OF PRINCIPAL PERSONS¹

- ALEXANDER I, King of Yugoslavia, succeeded to the throne August 16, 1921; assassinated by a Croat terrorist at Marseilles, October 9, 1934.
- ALFIERI, Dino, Under Secretary of State in the Italian Ministry for Press and Propaganda.
- ALOISI, Pompeo Baron, *Chef de cabinet* of the Italian Foreign Ministry; Italian representative on the Council of the League of Nations.
- APOR, Gábor Baron, Permanent Deputy to the Hungarian Foreign Minister.
- ARAS, Tewfik Rüstü, Turkish Foreign Minister.
- ASCHMANN, Gottfried, Senior Counsellor, Head of the Press Department of the German Foreign Ministry.
- ATTOLICO, Bernardo, Italian Ambassador in the Soviet Union 1930-1935; Ambassador in Germany September 8, 1935-1940.
- BADOGLIO, Pietro, Marshal, Chief of the Italian General Staff 1925-1940; succeeded General de Bono as High Commissioner for Eritrea and Italian Somaliland and Commander in Chief of all Italian forces in East Africa, November 16, 1935.
- BALDWIN, Stanley, British M.P. and Leader of the Conservative Party; Lord President of the Council in the National Government from November 5, 1931-June 6, 1935; Prime Minister, in succession to Ramsay MacDonald, June 7, 1935-May 28, 1937.
- BARTHO, Louis, Chairman of L'union démocratique et radicale in the French Senate; Foreign Minister in the Doumergue Cabinet February 9-October 9, 1934, when he was assassinated with King Alexander I of Yugoslavia at Marseilles.
- BECK, Józef, Colonel, Polish Foreign Minister.
- BECK, Ludwig, Lieutenant General, Chief of the Truppenamt in the Reichswehr Ministry October 1933-May 1935; Chief of the General Staff of the Army May 1935-1938.
- BENEŠ, Eduard, Czechoslovak Foreign Minister 1918-1935; President of the Republic, in succession to Masaryk, December 18, 1935-October 5, 1938.
- BERGEN, Diego von, German Ambassador to the Holy See.
- BERGER, Hugo Fritz, Ministerialdirigent in the Reich Finance Ministry.
- BERGER-WALDENEGG, Egon Freiherr von, Austrian Foreign Minister.
- BESSONOV, S., Counsellor at the Soviet Embassy in Germany.
- BISMARCK, Otto Prince von, Counsellor at the German Embassy in Great Britain.
- BLOMBERG, Werner von, Colonel General, Reichswehr Minister January 1933-May 1, 1935; Reich War Minister and Commander in Chief of the Wehrmacht May 1, 1935-February 4, 1938.
- BÖCKMANN, Herbert von, Lieutenant Colonel, of the Foreign Department [*Abteilung Ausland*] of the Reichswehr (later Reich War) Ministry.
- BODENSCHATZ, Karl Heinrich, Lieutenant Colonel, Adjutant to General Göring.

¹ The biographical details given relate principally to the period and subjects covered by the documents in this volume.

- BOHLE, Ernst Wilhelm, Gauleiter and Head of the Auslandsorganisation of the NSDAP on the Staff of the Führer's Deputy.
- BONNET, Georges, French Socialist-Radical Deputy; Minister of Commerce and Industry in the Laval Cabinet, June 7, 1935–January 22, 1936, and in the Sarraut Cabinet January 24–June 6, 1936.
- BORIS III, King of the Bulgarians, succeeded to the throne on the abdication of his father, King Ferdinand, October 3, 1918; died August 28, 1943.
- BÖTTCHER, Viktor, Director of the Foreign Affairs Department of the Danzig Senate.
- BRĂȚIANU, Gheorghe, Leader of the Rumanian Young Liberal Party.
- BRÄUER, Curt, Counsellor at the German Legation in Belgium.
- BRUVELAITIS, Jurgis, President of the Memel Directorate December 1934–November 1935.
- BÜLOW, Bernhard von, State Secretary of the German Foreign Ministry.
- BÜRKNER, Leopold, Lieutenant Commander, Senior Officer on the Staff of the Chief of the German Naval Command (succeeded by Lieutenant Commander KIDERLEN *q.v.*).
- BURMEISTER, Oberregierungsrat, an official of the Reich Finance Ministry.
- BUTI, Gino, Director General of the Political Department of the Italian Foreign Ministry.
- CANARIS, Wilhelm, Admiral, Head of the Intelligence Department [*Abwehr*] of the Wehrmachtsamt in the Reichswehr (later Reich War) Ministry.
- CAROL II, King of Rumania, renounced all his rights to the throne in favour of his son, Michael, who was proclaimed Heir Apparent in January 1926 and King on July 20, 1927, on the death of his grandfather, King Ferdinand I (of Hohenzollern); Carol returned to Rumania in 1930, the Acts excluding him from the throne were annulled and he ascended the throne on June 8, 1930; abdicated September 6, 1940.
- CERRUTI, Vittorio, Italian Ambassador in Germany 1932–1935; Ambassador in France August 28, 1935–1938.
- CHAMBERLAIN, Sir Austen, British Conservative M.P.; Foreign Secretary 1924–1929; First Lord of the Admiralty in the National Government August–October 1931.
- CHAMBERLAIN, Neville, British Conservative M.P.; Chancellor of the Exchequer in the National Government November 5, 1931–June 6, 1935, and June 7, 1935–May 28, 1937.
- CHAMBRUN, Louis-Charles Comte de, French Ambassador in Italy.
- CHIANG KAI-SHEK, Marshal, Commander in Chief of the Chinese Armed Forces, Member of the Council of State of the Chinese National Government.
- CIANO, Nobile Galeazzo, Italian Under Secretary of State for Press and Propaganda.
- CLARKE, A. W., Commander, Assistant Secretary to the British Committee of Imperial Defence.
- COMNEN, see PETRESCU-COMNEN.
- CRAIGIE, Robert Leslie, Assistant Under Secretary of State and Head of the American Department in the British Foreign Office.
- CRANBORNE, Viscount, Robert Cecil, British Parliamentary Under Secretary of State for Foreign Affairs.
- CSÁKY, István Count, *Chef de Cabinet* to the Hungarian Foreign Minister.
- DANCKWERTS, Victor, Captain, of Plans Division, British Naval Staff.
- DARRÉ, Walter, Reich Minister of Food and Agriculture and Head of the Reich Food Estate [*Reichsnährstand*].
- DAVIS, Norman H., Chairman of the United States Delegation to the Disarmament Conference at Geneva 1933–1935; appointed Head of the United States Delegation to the London Naval Conference in December 1935.

- DIECKHOFF**, Hans Heinrich, Director of Department III in the German Foreign Ministry, also acting Director of Department II, December 20, 1935–May 16, 1936.
- DINICHERT**, Paul, Swiss Minister in Germany.
- DIRKSEN**, Herbert von, German Ambassador in Japan.
- DODD**, William Edward, United States Ambassador in Germany.
- DOLLFUSS**, Engelbert, Austrian Federal Chancellor, Foreign Minister and Minister for Agriculture and Forestry May 1932–July 25, 1934, when he was assassinated; founded the Fatherland Front to embrace all Austrian political parties supporting his Government in 1933.
- DREYSE**, Friedrich, Vice President of the Reichsbank.
- DRUMMOND**, Sir Eric, British Ambassador in Italy; previously Secretary General of the League of Nations.
- DUFF COOPER**, Alfred, British Conservative M.P.; Financial Secretary to the Treasury 1934–1935; Secretary of State for War November 22, 1935–May 28, 1937.
- EDEN**, Anthony, British Conservative M.P.; Lord Privy Seal January 1, 1934–June 6, 1935; Minister without Portfolio for League of Nations Affairs June 7, 1935–December 22, 1935; Secretary of State for Foreign Affairs December 22, 1935–February 20, 1938.
- EDWARD**, PRINCE OF WALES, see **EDWARD VIII**.
- EDWARD VIII**, King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India; created Prince of Wales June 23, 1910; ascended the throne on the death of his father, King George V, January 20, 1936; abdicated December 11, 1936.
- EISENLOHR**, Ernst, German Minister in Greece September 1931–January 1936; Minister in Czechoslovakia February 5, 1936–September 1938.
- ERBACH-SCHÖNBERG**, Viktor Prinz zu, Counsellor at the German Legation in Austria.
- ERDMANNSDORFF**, Otto von, a Deputy Director of Department IV (from September 1935 Department III) in the German Foreign Ministry.
- EYRES-MONSELL**, see **MONSELL**.
- FABRYCY**, Kasimierz, General, Inspector of Infantry of the Polish Army.
- FALKENHAUSEN**, Alexander von, German Lieutenant General (retired), military adviser to the Chinese Nationalist Government.
- FEY**, Emil, Major, Heimwehr Leader; Austrian Minister of the Interior July 30, 1934–October 17, 1935.
- FILIPESCU**, Grigore, Leader of the Rumanian rump Conservative Party and Editor of *Epoca*.
- FLANDIN**, Pierre-Etienne, Chairman of the Alliance démocratique in the French Chamber from 1936; Chairman of the Républicains de gauche; Minister President in the Government of National Union November 8, 1934–May 31, 1935; Minister without Portfolio in the Laval Cabinet June 7, 1935–January 22, 1936; Foreign Minister in the Sarraut Cabinet January 24–June 4, 1936.
- FORSTER**, Albert, Gauleiter of Danzig.
- FORSTER**, Dirk, Counsellor at the German Embassy in France.
- FRANÇOIS-PONCET**, André, French Ambassador in Germany.
- FRICK**, Wilhelm, Reich and Prussian Minister of the Interior.
- FRITSCH**, Werner Freiherr von, General, Chief of the German Army Command February 1934–May 1, 1935; Commander in Chief of the Army May 1, 1935–February 4, 1938.
- FROHWEIN**, Hans, Senior Counsellor in Department II of the German Foreign Ministry.
- FUNK**, Walther, Press Chief of the Reich Government and State Secretary in the Reich Ministry for Propaganda.

- GAMELIN, Maurice Gustave, General, Chief of the French Army General Staff.
- GAUS, Friedrich, Ministerialdirektor, Director of Department V of the German Foreign Ministry.
- GAYDA, Virginio, Editor of the Italian newspaper *Giornale d'Italia*.
- GEORGE V, King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India; ascended the throne May 6, 1910; died January 20, 1936.
- GEYR VON SCHWEPPENBURG, Leo Freiherr, Major General, German Military Attaché in Great Britain, Belgium and the Netherlands.
- GOEBBELS, Joseph, Reich Minister for Popular Enlightenment and Propaganda.
- GÖMBÖS, Gyula de, General, Hungarian Minister President and Minister of National Defence.
- GÖRING, Hermann Wilhelm, General, President of the German Reichstag, Minister President of Prussia and Reich Air Minister; also Commander in Chief of the Luftwaffe May 1, 1935–April 1945.
- GRANDI, Count Dino, Italian Ambassador in Great Britain.
- GREISER, Artur, President of the Danzig Senate.
- GRITZBACH, Erich, Ministerialrat and Head of the Press Office of the Prussian Ministry of State; personal assistant to Göring as Minister President of Prussia.
- HABICHT, Theodor, Member of the German Reichstag; appointed by Hitler as Landesinspekteur for Austria August 1932–July 1934; Leader of the National Socialist Party in Austria; deported to Germany June 14, 1933.
- HAILE SELASSIE I (the NEGUS), Emperor of Abyssinia, succeeded to the throne April 2, 1930.
- HASSELL, Ulrich von, German Ambassador in Italy.
- HEEREN, Viktor von, German Minister in Yugoslavia.
- HEINBURG, Curt, Senior Counsellor in Department II of the German Foreign Ministry.
- HELFERICH, Dr., President of the Deutsche Zentral-Genossenschaftskasse (German Central Cooperative Bank).
- HEMMEN, Hans Richard, Counsellor of Embassy, Leader of Delegation for the negotiation of commercial treaties in the Economic Department of the German Foreign Ministry.
- HENLEIN, Konrad, Chairman of the Sudeten German Party which was founded on September 30, 1933, as the Sudeten German Homeland Front [*Sudeten-deutsche Heimatfront*] and renamed prior to the Czechoslovak elections of May 1935.
- HERRIOT, Edouard, French Deputy and Leader of the Radical Socialist Party; Minister of State without Portfolio in the Doumergue and Flandin Cabinets of National Union February 9, 1934–May 31, 1935, and again in the Bouisson and Laval Cabinets June 1, 1935–January 22, 1936.
- HESS, Rudolf, Reich Minister and the Führer's Deputy.
- HITLER, Adolf, Führer and Chancellor of the Reich; also Supreme Commander of the Wehrmacht from May 1, 1935.
- HOARE, Sir Samuel, British Conservative M.P.; Secretary of State for India in the National Government August 25, 1931–June 6, 1935; Secretary of State for Foreign Affairs June 7–December 18, 1935.
- HODŽA, Milan, Czechoslovak Minister of Agriculture October 29, 1932–November 5, 1935; Minister President November 5, 1935–September 22, 1938; also Foreign Minister December 18, 1935–February 29, 1936.
- HOESCH, Leopold von, German Ambassador in Great Britain.
- HOPPENRATH, Julius, Danzig Senator for Finance.
- HORTHY DE NAGYBÁNYA, Miklós, Admiral, Regent of Hungary.

- HULL, Cordell, United States Secretary of State.
- JEVTIĆ, Bogoljub, Yugoslav Minister President and Foreign Minister December 21, 1934–June 20, 1935.
- KAMPHOEVENER, Kurt von, Senior Counsellor in Department II of the German Foreign Ministry.
- KANDELAKI, M., Leader of the Soviet Trade Delegation in Germany.
- KÁNYA, Kálmán de, Hungarian Foreign Minister.
- KARWINSKY, Karl Baron, Austrian State Secretary for Justice July 29, 1934–October 17, 1935, subsequently President of the Austrian Statistical Bureau.
- KEITEL, Wilhelm, Major General, Chief of the Wehrmachtamt in the Reich War Ministry, October 1935–February 1938.
- KELLER, August Friedrich Wilhelm von, German Ambassador in Turkey October 28, 1935–November 1938.
- KEPPLER, Wilhelm, the Führer's Commissioner for Economic Affairs in the Reich Chancellery.
- KERCHOVE DE DENTERGHEM, Count de, Belgian Minister in Germany February 8, 1932–October 25, 1935; Minister in France November 7, 1935–1938.
- KERRL, Hanns, Reich Minister without Portfolio June 17, 1934–July 16, 1935; Reich Minister for Church Affairs from July 16, 1935.
- KIDERLEN, Lieutenant Commander, Senior Officer on the Staff of the Chief of the Naval Command (succeeded BÜRKNER *q.v.*).
- KIEP, Otto, Minister, leader of the German Economic Study Mission to Far Eastern countries 1935–1936.
- KLEIN, Hans, businessman with trading interests in the Far East.
- KOCH, Walter, German Minister in Czechoslovakia October 29, 1921–June 1935.
- KNOLL, Karl, Secretary of Legation, a member of the German Economic Study Mission to Far Eastern countries 1935–1936.
- KÖPKE, Gerhard, Ministerialdirektor, Director of Department II in the German Foreign Ministry until December 1935.
- KORDT, Erich, Secretary of Legation, official of the German Foreign Ministry attached to the staff of Ambassador Ribbentrop.
- KÖRNER, Paul, State Secretary of the Prussian Ministry of State.
- KÖSTER, Roland, German Ambassador in France November 21, 1932–December 31, 1935, when he died.
- KOTZE, Hans Ulrich, Counsellor, official of the Reich Foreign Minister's Secretariat.
- KRAHMER-MÖLLENBERG, Dr., Regierungsrat, Head of the Deutsche Stiftung.
- KRAMAŘ, Karel, Leader of the Czechoslovak National Democratic Party; first Minister President of Czechoslovakia 1918–1919; attended the Paris Peace Conference as a Czechoslovak delegate with Dr. Beneš in 1919.
- KRAUEL, Wolfgang, German Consul at Geneva.
- KRIEBEL, Hermann, German Consul General at Shanghai.
- KROFTA, Kamil, Director General of the Czechoslovak Foreign Ministry and Deputy Foreign Minister 1927–February 29, 1936; Foreign Minister February 29, 1936–October 4, 1938.
- LAIGLESIA, Eduardo de, a representative of the Spanish C.E.D.A. Party and employed as an intermediary in armaments transactions between German firms and the Spanish Government.
- LAMMERS, Hans Heinrich, State Secretary and Head of the Reich Chancellery.
- LAVAL, Pierre, French Independent Senator; Foreign Minister in the Doumergue, Flandin and Bouisson Cabinets October 13, 1934–June 4, 1935; Minister President and Foreign Minister June 7, 1935–January 22, 1936.
- LEBRUN, Albert, President of the French Republic.
- LÉGER, Alexis, Secretary General of the French Foreign Ministry.

- LEITH-ROSS, Sir Frederick, Chief Economic Adviser to the British Government.
- LEOPOLD III, King of the Belgians, succeeded to the throne February 17, 1934.
- LESTER, Séan, League of Nations High Commissioner in the Free City of Danzig.
- LIPSKI, Józef, Polish Ambassador in Germany.
- LITTLE, Sir Charles, Vice Admiral, Lord Commissioner of the Admiralty and Deputy Chief of the Naval Staff 1932-1935.
- LITVINOV, Maxim Maximovich, People's Commissar for Foreign Affairs of the Soviet Union.
- LLOYD GEORGE, David, British Independent Liberal M.P.; Prime Minister 1916-1922.
- LONDONDERRY, 7th Marquess of, Sir Charles Vane-Tempest-Stewart, K.G., British Secretary of State for Air, November 5, 1931-June 6, 1935; Lord Privy Seal June 7-November 22, 1935.
- LOPEZ OLIVAN, Julio, Spanish Minister in Switzerland March 1934-November 1936.
- LORENZ, Max, Counsellor, an official of Department II in the German Foreign Ministry.
- LOZORAITIS, Stasys, Lithuanian Foreign Minister June 12, 1934-December 5, 1938.
- LUKASIEWICZ, Juljusz, Polish Ambassador in Moscow.
- LUBOMIRSKI, Prince Stefan, Counsellor at the Polish Embassy in Germany.
- LUPIN, Freiherr von, Secretary General of the Export Consortium for War Material (AGK) of the Reich Federation of Industry.
- LUTHER, Hans, German Ambassador in the United States April 21, 1933-March 1937.
- LUTZE, Viktor, Chief of Staff of the SA.
- MACDONALD, James Ramsay, British National Labour M.P.; Prime Minister in the National Government August 25, 1931-June 6, 1935; Lord President of the Council June 7, 1935-May 28, 1937.
- MACKENSEN, Hans Georg von, son of Field Marshal von Mackensen; German Minister in Hungary.
- MANACORDA, Guido, Professor of German at the University of Florence.
- MANOLESCU-STRUNGA, Ion, Rumanian Minister of Commerce October 10, 1934-August 1935.
- MASARYK, Thomas Garrigue, President of the Czechoslovak Republic; elected first President of the Republic November 14, 1918, re-elected 1920, 1928 and 1934, resigned December 14, 1935.
- MASIREVICH, Constantin de, Hungarian Minister in Germany August 30, 1933-August 1935.
- MASSIGLI, René, an Assistant Director of the Political and Commercial Department and Head of the League of Nations Division of the French Foreign Ministry.
- MEISSNER, Otto, State Secretary and Head of the Presidential Chancellery of the Reich.
- MEYER, Richard, Ministerialdirektor, Director of Department IV in the German Foreign Ministry until September 1935 (see Editors' Note, p. 941).
- MILCH, Erhard, General, State Secretary of the Reich Air Ministry.
- MOLOTOV, Vyacheslav, Chairman of the Council of People's Commissars of the Soviet Union and Chairman of the Council of Labour and Defence.
- MOLTKE, Hans-Adolf von, German Ambassador in Poland.
- MONSELL, 1st Viscount, Sir Bolton Eyres-Monsell, British First Lord of the Admiralty November 5, 1931-June 4, 1936.
- MOSCICKI, Ignacy, President of Poland.
- MOSSDORF, Ministerialrat, an official of the Reich Ministry of Economics.

- MOTTA, Giuseppe, Swiss Federal Councillor, Head of the Political Department (Foreign Ministry) of the Federal Council.
- MUFF, Wolfgang, General, German Military Attaché in Austria, Bulgaria and Switzerland.
- MUIRHEAD-GOULD, Gerald Charles, Captain R.N., British Naval Attaché in Germany.
- MUNTERS, Vilhelms, Secretary General of the Latvian Foreign Ministry.
- MUSSOLINI, Benito, Founder and Leader (Duce) of the Italian Fascist Party; Head of the Government, Foreign Minister and Minister of the Interior, War, Marine and Air.
- NASTASIJEVIĆ, Djordje, Yugoslav Minister in Austria.
- NEURATH, Constantin Freiherr von, Reich Foreign Minister; was Ambassador in Great Britain 1930-1932.
- NEWTON, Basil, Minister at the British Embassy in Germany.
- ORSERIGO, Monsignor Cesare, Apostolic Nuncio in Germany.
- OSHIMA, Hiroshi, General, Japanese Military Attaché in Germany.
- OSUSKÝ, Stefan, Czechoslovak Minister in France.
- OTT, Eugen, Colonel, German Military Attaché in Japan.
- OTTO, Archduke, Prince of Habsburg, Pretender to the Austrian throne.
- PABST, Waldemar, Major, a representative of the firm of Rheinmetall; a former German army officer who had been expelled from Austria in 1930 because of activities as a leader of the Heimwehr.
- PACELLI, Eugenio, Cardinal, Secretary of State to His Holiness the Pope.
- PAPÉE, Kasimierz, Polish Diplomatic Representative in Danzig.
- PAPEN, Franz von, German Minister in Austria on Special Mission directly responsible to Hitler with the personal rank of Envoy Extraordinary.
- PATAKY, Tibor de, State Secretary for Minority Questions in the Hungarian Minister President's Office.
- PAUL, Prince, became Regent of Yugoslavia on the death of his brother, KING ALEXANDER I (*q.v.*) during the minority of King Peter II.
- PAUL-BONCOUR, Joseph, French Independent Senator; Minister without Portfolio in the Sarraut Cabinet January 24-June 4, 1936.
- PÉTAÏN, Philippe, Marshal, member of the French Conseil supérieur de la Guerre and of the Conseil supérieur de la Défense nationale; Minister without Portfolio in the Bouisson Cabinet, June 2-4, 1935.
- PETER II, King of Yugoslavia; succeeded to the throne on the death of his father, King Alexander I, October 9, 1934.
- PETRESCU-COMNEN, Nicolae, Rumanian Minister in Germany.
- PHIPPS, Sir Eric, British Ambassador in Germany.
- PILSUDSKI, Józef, Marshal, Polish Minister of War and Inspector General of the Army; died May 12, 1935.
- PLESSEN, Johann Baron von, Counsellor at the German Embassy in Italy.
- POCHHAMMER, Wilhelm von, Counsellor at the German Legation in Rumania.
- POPITZ, Johannes, Prussian Finance Minister.
- POSSE, Hans Ernst, State Secretary of the Reich and Prussian Ministry of Economics.
- PREZIOSI, Gabriele, Italian Minister in Austria.
- RADOWITZ, Otto von, German Consul General at Danzig.
- RAEDER, Erich, Admiral, Chief of the German Naval Command October 1, 1928-May 1, 1935; Commander in Chief of the Navy May 1, 1935-January 1943.
- REICHENAU, Walter von, General, Chief of the Wehrmachtsamt in the Reichswehr (later Reich War) Ministry February 1934-September 1935.
- REINEBECK, Otto, German Minister in Estonia.
- RENTHE-FINK, Cecil von, a Deputy Director of Department II of the German Foreign Ministry.

- RIBBENTROP, Joachim von, member of the NSDAP; appointed to be the Reich Chancellor's Commissioner for Disarmament Questions April 24, 1934; Ambassador Extraordinary and Plenipotentiary on Special Mission June 1, 1935–October 1936.
- RINTELEN, Emil von, Counsellor in Department II in the German Foreign Ministry.
- ITTER, Karl, Ministerialdirektor, Director of the Economic Department in the German Foreign Ministry.
- ROATTA, Mario, General, Head of the Foreign Armies Department in the Italian War Ministry.
- RODENBÜCHER, Alfred, SS-Gruppenführer, former leader of the Austrian SS; Director of the Austrian Relief Agency (*Hilfswerk*) in Germany.
- ROEDIGER, Conrad, Senior Counsellor, an official of Department VI; a Deputy Director of Department II in the German Foreign Ministry from September 1935.
- ROMAN, Antoni, Polish Minister in Sweden; negotiator with Germany on questions relating to Danzig.
- ROOSEVELT, Franklin Delano, President of the United States March 4, 1933, re-elected November 1936, November 1940 and November 1944; died April 12, 1945.
- ROSENBERG, Alfred, Reichsleiter, Head of the Aussenpolitisches Amt of the NSDAP from 1933; editor of the NSDAP organ, *Völkischer Beobachter*, from 1921; a leading exponent of plans for German expansion into the Soviet Union and author of *Der Mythos des 20. Jahrhunderts*, an exposition of National Socialist ideology; the Führer's Commissioner for Supervising the Ideological Education of the National Socialist Movement from January 1934.
- ROSENBERG, Frederic von, German Ambassador in Turkey December 11, 1933–June 1935.
- SARNOW, Otto, Ministerialdirektor, Director of Department II in the Reich and Prussian Ministry of Economics.
- SARRAUT, Albert, French Senator, Minister President January 24–June 4, 1936.
- ŠAULYS, Jurgis, Lithuanian Minister in Germany.
- SAXE-COBURG AND GOTHA, Leopold Charles Edward Duke of, grandson of Queen Victoria of Great Britain; succeeded as reigning Duke July 19, 1905, abdicated November 14, 1918; SA-Gruppenführer and President of the German Red Cross.
- SAYRE, Francis B., United States Assistant Secretary of State.
- SCHACHT, Hjalmar, President of the Reichsbank and acting Reich and Prussian Minister of Economics.
- SCHÄFER, Karl, President of the Danzig State Bank.
- SCHMIDT, Paul Otto, Counsellor, interpreter in Department I in the German Foreign Ministry; acted as personal interpreter to Hitler and official interpreter to the Foreign Minister at many conferences and discussions.
- SCHMIEDEN, Werner von, Counsellor in Department II in the German Foreign Ministry.
- SCHMITZ, Richard, Chief Burgomaster of Vienna.
- SCHNURRE, Karl, First Secretary at the German Legation in Hungary.
- SCHULENBURG, Friedrich Werner Count von der, German Ambassador in the Soviet Union.
- SCHUSCHNIGG, Kurt von, Austrian Federal Chancellor and Minister of National Defence.
- SCHUSTER, Karl Georg, Rear Admiral, Second Admiral of the German Baltic Command; a member of the German delegation to the Anglo-German naval discussions in 1935.

- SCHWERIN VON KROSIGK, Lutz Count, Reich Minister of Finance.
- SEECKT, Hans von, Colonel General, Head of the German Military Mission in China; was Chief of the German Army Command 1920–1926.
- SIMON, Sir John, British Liberal National M.P.; Secretary of State for Foreign Affairs in the National Government November 5, 1931–June 6, 1935; Secretary of State for Home Affairs June 7, 1935–May 28, 1937.
- SOKOŁOWSKI, Mieczysław, Director of the Department of Commerce in the Polish Ministry of Industry and Commerce.
- STARHEMBERG, Ernst Rüdiger Prince, Austrian Vice Chancellor, Minister of Security and Leader of the Fatherland Front.
- STEINACHER, Hans, Head of the Volksbund für das Deutschtum im Ausland (VDA).
- STIEVE, Friedrich, Senior Counsellor, Director of Department VI in the German Foreign Ministry.
- STOJADINOVIĆ, Milan, Yugoslav Minister of Finance December 21, 1934–June 20, 1936; Minister President and Foreign Minister June 24, 1935–February 5, 1939.
- STOJAKOVICS, see SZTÓJAY.
- STÜLPNAGEL, Heinrich von, Colonel, Head of the Foreign Armies (i.e., Intelligence) Department (T3) of the Truppenamt in the Reichswehr (later Reich War) Ministry April 1, 1935–November 1, 1936.
- SURITZ, Jakob, Soviet Ambassador in Germany.
- SUVICH, Fulvio, Under Secretary of State in the Italian Foreign Ministry.
- SZEMBEK, Count Jan, Under Secretary of State in the Polish Foreign Ministry.
- SZTÓJAY, Döme, Major General, Chief of the Presidential Section in the Hungarian Ministry of National Defence 1933–1935; Minister in Germany December 19, 1935–March 1944; as Major General STOJAKOVICS he had been Military Attaché in Germany 1926–1933, and he Magyarized his name to SZTÓJAY on being appointed Minister there.
- TITULESCU, Nicolae, Rumanian Foreign Minister.
- TRAUTMANN, Oskar P., German Minister in China from October 2, 1931, and Ambassador September 14, 1935–June 1938.
- TSCHUNKE, E., Colonel, German Military Attaché in Czechoslovakia and Rumania.
- TUKHACHEVSKY, Mikhail Nikolaevich, Marshal of the Soviet Union, Second Vice Commissar for Defence; Member of the Central Executive Committee of the Soviet Union.
- TWARDOWSKI, Fritz von, Counsellor at the German Embassy in the Soviet Union until October 1935; Senior Counsellor and Deputy Director of Department VI in the German Foreign Ministry from November 1935.
- VAN LANGENHOVE, F., Secretary General of the Belgian Foreign Ministry.
- VAN ZEELAND, Paul, Belgian Minister President in the Cabinet of National Union March 25, 1935–May 26, 1936.
- VANSITTART, Sir Robert, British Permanent Under Secretary of State for Foreign Affairs.
- VASCONCELLOS, Augusto de, Minister Plenipotentiary, Portuguese Permanent Delegate to the League of Nations, Chairman of the Co-ordination Committee and the Little Co-ordination Committee (designated later “The Committee of Eighteen”) appointed to coordinate measures under Article 16 of the League of Nations Covenant in the dispute between Ethiopia and Italy.
- VILLANI, Frigyes Baron de, Hungarian Minister in Italy.
- VOROSHILOV, Klement Efremovich, Marshal of the Soviet Union, People’s Commissar for Defence; Member of the Praesidium of the Central Executive Committee of the Soviet Union.

WALTERS, Francis Paul, Under Secretary General and Director of the Political Section of the League of Nations.

WANG CHING-WEI, President of the Chinese Executive Yuan and acting Foreign Minister 1933–December 1, 1935.

WASSNER, Erwin, Captain, German Naval Attaché in Great Britain.

WEIZSÄCKER, Ernst Freiherr von, German Minister in Switzerland.

WEJCZEK, Johannes Count von, German Ambassador in Spain.

WIEHL, Emil, German Minister in South Africa, previously Consul General and Chargé d'Affaires there.

WIESNER, Friedrich Ritter von, Leader of the Austrian Legitimists.

WIGRAM, 1st Baron, Clive Wigram, Private Secretary to King George V of Great Britain and Keeper of His Majesty's Privy Purse 1935–1936.

WIGRAM, Ralph, Head of the Central Department in the British Foreign Office.

WINCHKLER, István de, appointed Head of the Hungarian Foreign Trading Corporation in 1933; Minister of Commerce and Communications September 3, 1935–October 12, 1936.

WOHLTHAT, Helmuth, Ministerialdirektor in the Reich Office for Foreign Exchange Control.

ZECHLIN, Erich, German Minister in Lithuania.

Appendix V

GLOSSARY OF GERMAN TERMS AND ABBREVIATIONS

- A, Marinekommandoamt**, Naval Command Office in the Reichswehr Ministry and after May 1935 in the High Command of the Navy
- A I, Flottenabteilung**, Fleet Department of the Naval Command Office in the Reichswehr Ministry and after May 1935 in the High Command of the Navy
- A III, Abteilung Marinennachrichtendienst**, Naval Intelligence Department of the Naval Command Office in the Reichswehr Ministry and after May 1935 in the High Command of the Navy
- AA, Auswärtiges Amt**, the Reich Foreign Ministry
- Abwehr**, Intelligence Department of the **Wehrmachtsamt**
- a.D., ausser Dienst**, retired
- A.G., Aktiengesellschaft**, joint-stock company
- AGK, Ausfuhrgemeinschaft für Kriegsgesamt**, Export Consortium for War Material
- Ang., Angabe**, a designation given where action of more than one sort is to be taken on a paper, the relevant instructions being usually split up as Ang. I, II etc., this follows the file number
- Anschluss**, union, unification; used especially in connection with a union between Germany and Austria
- APA, Aussenpolitisches Amt**, the Foreign Affairs Office of the **NSDAP** of which Alfred Rosenberg was the Head
- Assessor**, candidate for the **höherer Dienst** who, having passed the General State Examination (*grosse Staatsprüfung*), is serving for a probationary period of not less than two years in an administrative department prior to permanent appointment
- Assistent**, grade in the **mittlerer Dienst**
- Att. Gr., Attaché Gruppe**, lit. "Attaché Group", the section within the **Truppenamt** (subsequently within O. Qu. II or III) through which correspondence with the German Military Attachés was channelled
- Auslandsorganisation**, lit. "Foreign Organization", the National Socialist organization dealing with German nationals living abroad. It was set up in May 1933 as the Foreign Department (*Auslandsabteilung*) of the **NSDAP** with Gauleiter Bohle as its Head, placed under the Führer's Deputy in October 1933 and renamed in February 1934. It constituted a separate **Gau** of the **NSDAP**
- Bezirksleiter**, district leader
- Brigadeführer**, SA and SS rank approximately equivalent to Major General
- Chefsache**, lit. "matter for Chiefs", a security classification used in conjunction with **g. Kdos.** to restrict distribution of documents to heads of sections of a High Command and to Divisional Commanders
- Deutsche Stiftung**, an organization for providing funds to **Volksdeutsch** communities
- Dipl. Ing., Diplom-Ingenieur**, certified engineer
- DNB, Deutsches Nachrichtenbüro**, the German news agency formed in December 1933 by the amalgamation of three formerly independent news agencies

e.o., ex officio, where this precedes the file number it indicates a draft for which there are no preceding papers; see also *zu*

Frhr., Freiherr, hereditary title of nobility, approximately equivalent to baron

Gau (pl. *Gaue*), the largest territorial unit of the **NSDAP**; see also **Hoheits-träger**

Gauleiter, lit. "Gau Leader", rank in the **NSDAP**; see under **Hoheits-träger**

Gauleitung (pl. *Gauleitungen*), the headquarters of the **NSDAP** in a **Gau**
GEFIA, Geschäftsstelle für Industrie-abrüstung, Bureau for Industrial Disarmament

geh., geheim, secret

Geheimrat, lit. "Privy Councillor", an obsolete honorary title

gehobener Dienst, the "Upper Service" in the German Civil Service which comes between the **mittlerer Dienst** and the **höherer Dienst**. It contains the following four grades: (1) Inspektor, e.g. Technischer Inspektor, Bibliotheksinspektor, Regierungsin-spektor, Verwaltungsinspektor, Konsulatssekretär (AA); (2) Oberinspektor, e.g. Regierungsoberinspektor, Verwaltungsoberinspektor, Regierungsoberrevisor, Konsulatssekretär I Kl. (AA); (3) Amtmann, e.g. Regierungsamtman, Verwaltungsamtman, Kanzler (AA), Ministerialkanzleivorsteher; (4) Amtsrat (Hofrat until 1918)

g.K., g. Kdos., geheime Komman-dosache, indicates a security classification of Top Secret Military

G.m.b.H., Gesellschaft mit beschränkter Haftung, limited company

Gruppenführer, SA and SS rank approximately equivalent to Lieutenant General

Handakten, file maintained by an individual official

h.c., honoris causa, honorary

Heimatschutz, Heimwehr, Heimweh-ren, lit. "Home Defence" or "Home Guard", Austrian right-wing political and para-military organizations. They were subsequently included in

the Fatherland Front (*Vaterländische Front*) founded by Dollfuss in 1933

Hofrat, lit. "Royal Counsellor", an obsolete civil service rank; see under **gehobener Dienst**

Hoheitsträger, the highest ranking regional representative of the **NSDAP**, the most important of which, according to rank and province (*Hoheitsgebiet*) were:

Führer—Reich

Gauleiter—Gau

Kreisleiter—Kreis

Ortsgruppenleiter—Ortsgruppe

höherer Dienst, the "Higher Service" in the German Civil Service which corresponds to the Administrative Class in the British Civil Service, though the functions of certain lower grades may be more executive than administrative. It contains the following six grades: (1) Regierungsrat, Bibliothekar (Librarian), Gesandtschaftsrat (Counsellor of Legation) (AA), Legationsrat (Counsellor) (AA), Vizekonsul (Vice Consul) (AA); (2) Oberregierungsrat, Ober-regierungsrat als Ministerialbüro-direktor, Gesandtschaftsrat I Kl. (AA), Konsul I Kl. (AA), Legations-rat I Kl. (AA); (3) Ministerialrat, Botschaftsrat (Counsellor of Em-bassy) (AA), Generalkonsul (Consul General) (AA), Gesandter (Minister), Vortragender Legationsrat (Senior Counsellor) (AA); (4) Ministerial-dirigent, Generalkonsul I Kl. (AA), Gesandter I Kl. (AA); (5) Minister-ialdirektor, Gesandter I Kl. as Head of a Mission (AA); (6) Staatssekre-tär (State Secretary), Botschafter (Ambassador) (AA)

HPA, Handelspolitischer Ausschuss [beim Auswärtigen Amt], Commercial Policy Committee [at the Foreign Ministry], a standing committee, set up in 1926, consisting of representatives of the Foreign Ministry, the Reich Finance Ministry, the Reich Ministry of Economics and the Reich Ministry of Food and Agriculture. Its duties were to prepare and coordinate commercial treaty

- negotiations. From time to time other Ministries were invited to be represented on it
- I.G., Interessengemeinschaft**, a pool or trust in industry
- Kampfring**, lit. "band of fighters", an association, formed in 1933, of Austrian National Socialists living in Germany
- Kanzler**, grade in the **gehobener Dienst**; archivist, head of the chancery in a diplomatic Mission abroad
- Kommerzienrat**, Commercial Councillor, title conferred on industrialists, financiers and business men up till 1919
- Kreis**, an administrative unit in local government; also a territorial unit of the **NSDAP**—see under **Hoheits-träger**
- Kreisleitung**, the headquarters of the **NSDAP** in a **Kreis**
- Kriminalkommissar**, officer in the Criminal Police
- Kriminalrat**, rank in the Criminal Police
- Land** (pl. **Länder**), country, usually one of the constituent Federal States of the Reich or of Austria
- Landesführer**, provincial leader of the Austrian National Socialist Party
- Landeshauptmann** (pl. **Landeshauptleute**), the President of the State Government in one of the Federal States (*Bundesländer*) of Austria, also entrusted with the indirect Federal administration
- Landesinspekteur**, lit. "State Inspector", title bestowed by Hitler on the chief leader of the Austrian National Socialist Party (Theo. Habicht)
- Landesleitung**, **Landesgruppenleitung**, directorate of the **NSDAP** in a foreign State; **Landesleiter**, **Landesgruppenleiter**, head of the **Landesleitung** or **Landesgruppenleitung**
- Landesleitung Österreich**, directorate of the Austrian National Socialist Party, staff of the **Landesinspekteur**; its headquarters were moved to Munich in June 1933
- Landtag**, the representative assembly of the autonomous territory of Memel
- Luftwaffe**, German Air Force
- M**, indicates that a document has emanated from the staff of the Chief of the Naval Command in the Reichswehr Ministry and after May 1935 from the staff of the C. in C., Navy (Chief of Staff: Captain Densch)
- M I**, indicates that a document has emanated from the senior officer on the staff of the Chief of the Naval Command in the Reichswehr Ministry (after May 1935 on the staff of the C. in C., Navy)
- M IV**, indicates that a document has emanated from the **Referent** on the staff of the Chief of the Naval Command in the Reichswehr Ministry (after May 1935 on the staff of the C. in C. Navy)
- M.D., Min. Dir., Ministerialdirektor**, grade in the **höherer Dienst**, usually the director of a department in a Ministry
- Ministerialassessor**, see **Assessor**
- Ministerialdirigent (Dg.)**, grade in the **höherer Dienst**, usually the deputy director of a department in a Ministry
- Ministerialrat**, grade in the **höherer Dienst**
- mittlerer Dienst**, the "Intermediate Service" in the German Civil Service, which corresponds to the Clerical Class in the British Civil Service. It contains the following three grades: (1) Assistent, e.g. **Regierungsassistent**, **Verwaltungsassistent**; (2) **Sekretär**, e.g. **Regierungssekretär**, **Verwaltungssekretär**, **Kanzleivorsteher**, **Ministerialkanzleisekretär**; (3) **Obersekretär**, e.g. **Regierungsobersekretär**, **Verwaltungsobersekretär**, **Ministerialkanzleiobersekretär**
- M.J.A., M. im Auftrag**, by order of the Chief of the Naval Command and after May 1935 by order of the C. in C., Navy
- NSDAP, Nationalsozialistische Deutsche Arbeiterpartei**, National Socialist German Workers' Party, the full title of the National Socialist Party (in common usage frequently abbreviated to "Nazi")

NSKOV, Nationalsozialistische Kriegsopferversorgung, National Socialist Welfare Organization for the War Disabled

Ob.d.H., Oberbefehlshaber des Heeres, Commander in Chief of the Army (after May 1935)

Ob.d.L., Oberbefehlshaber der Luftwaffe, Commander in Chief of the Luftwaffe (after May 1935)

Ob.d.M., Oberbefehlshaber der Marine, Commander in Chief of the Navy (after May 1935)

Obergruppenführer, SA and SS rank approximately equivalent to General of Infantry

Oberpolizeirat, senior rank in the Austrian Police

Oberpräsident, senior administrative official in the Prussian Government

Oberregierungsrat, see under *höherer Dienst*

OKH, Oberkommando des Heeres, High Command of the Army (after May 1935)

OKM, Oberkommando der Marine, High Command of the Navy (after May 1935)

O.Qu., Oberquartiermeister, Assistant Chief of the General Staff after May 1935 (see also Appendix I, Table B)

Ortsgruppe, sub-division of an **NSDAP Kreis**; see also under *Hoheitsträger*

Ortsgruppenleiter, see under *Hoheits-träger*

OWR, Ostasiatisches Wirtschaftsreferat, Far Eastern Economic Division in Department IV of the German Foreign Ministry

P., Presseabteilung, the Press Department of the German Foreign Ministry

Promi, (Reichs-) Propagandaministerium, Reich Ministry of Propaganda

Referat, section, division within a department of a German Ministry

Referat Deutschland, the division for internal German affairs in the Foreign Ministry

Referent, according to context: (1) head of a *Referat*; (2) drafting officer; (3) personal assistant (*persönlicher Referent*) to the head of a department; (4) specialist or expert for a particular country or subject; (5) responsible officer

Regierungsrat, grade in the *höherer Dienst*

Registermark, indicates one of the several types of partially restricted German currency. Under the Third Standstill Agreement of February 1933 the sums repaid to Germany's creditors were to be deposited with the **Reichsbank** and inscribed in a special register, thus giving rise to the term *Registermark*; they were blocked for five years although they could be used under certain specified conditions. See also **Sondermark**

Reich, Germany (i.e., the Third Reich, Hitler's Germany)

"Reichsanzeiger", **"Deutscher Reichsanzeiger und Preussischer Staatsanzeiger"**, official gazette published daily in Berlin

Reichsbank, German National Bank, founded 1875, reorganized 1924

Reichsdeutsche, Reich Germans, i.e., those Germans who were Reich citizens, used usually with reference to those living outside the frontiers of the Reich; see also **Volksdeutsche**

"Reichsgesetzblatt", **"Reich Law Gazette"**; official publication of the Reich Ministry of the Interior giving the texts of new laws, decrees and regulations in Part I, and of treaties and agreements with foreign States in Part II

Reichsgruppe Industrie, Reich Federation of Industry

Reichsheer, see under **Reichswehr**

Reichsland, designation given to the territory which Germany annexed from France in 1871 and which was placed under an Imperial Governor (*kaiserlicher Statthalter*) as distinct from being a **Land**

Reichsleitung, Supreme Directorate of the **NSDAP**, its members being styled *Reichsleiter*, the highest rank in the Party

Reichsnährstand, Reich Food Estate, compulsory association of all persons engaged in agriculture, horticulture and fisheries; responsible for food production and marketing

Reichstag, the German Parliament

- Reichsstattthalter**, Reich Governor, representative of the Reich in a *Land*, exercising large powers of administrative control under the Law issued April 7, 1933
- Reichswehr**, lit. "Reich Defence", the official designation of the German armed forces 1919-1935, consisting of the national army (*Reichsheer*) and navy (*Reichsmarine*) effective command over which was exercised until May 1935 respectively by the Army Command (*Heeresleitung*) and the Naval Command (*Marineleitung*) in the Reichswehr Ministry; in March 1935 the armed forces were renamed the **Wehrmacht**
- Ritter von**, title of nobility in Austria and Bavaria until 1918, equivalent to a knight
- Rk.**, **Reichskanzlei**, Reich Chancellery, office of the German Chancellor
- RM**, **Reichsmark**, the unit of German currency; see also **Registermark** and **Sondermark**
- RM**, **Reichsminister**, Reich Minister, any member of the Reich Cabinet, but in Foreign Ministry documents usually refers to the Reich Foreign Minister
- SA**, **Sturmabteilungen der NSDAP**, Storm Troops of the **NSDAP** (brown-shirts)
- SK**, **Gruppe für Seekonferenzen**, Group for Naval Conferences in the Reichswehr Ministry, an office directly subordinate to the Chief of the Naval Command and after May 1935 to the C. in C., Navy; dealt with matters in which foreign affairs impinged upon individual decisions of Naval policy.
- Sondermark**, lit. "Special Mark", indicates one of the types of partially restricted German currency. This could be paid into special accounts (*Sonderkontos*), which certain foreign banks of issue maintained at the **Reichsbank**, by German importers to cover the difference between the amount of foreign exchange allocated for a given business transaction and the full value of the goods imported. As opportunity arose the foreign bank of issue would sell these **Sondermark**, which could be used for practically every purpose inside Germany, to importers of German goods, and the proceeds would then be credited to the exporter to whom the debt was due
- Staatsrat**, State Counsellor, title given to a member of the State Council (*Staatsrat*), the advisory body of the Prussian Ministry of State
- Stahlhelm**, lit. "Steel Helm", a German nationalist ex-servicemen's organization founded in 1918 and transformed in March 1934 into the National Socialist League of German ex-Servicemen (*Nationalsozialistischer Deutscher Frontkämpferbund* (NSDFB)). It was dissolved by Hitler in November 1935
- SS**, **Schutzstaffeln der NSDAP**, *élite* corps of the **NSDAP**, used also for police purposes (black guards)
- St. S.**, **Staatssekretär**, State Secretary, the highest career official in a Reich Ministry
- Sturmabannführer**, SA and SS rank approximately equivalent to Major
- TA**, **Truppenamt**, lit. "Troops Office" one of the six principal offices for army matters in the Reichswehr Ministry. It served in effect as a German General Staff after 1920 when that name was prohibited under Article 160 of the Versailles Treaty and its head, the *Chef des Truppenamtes*, was in effect Chief of the Army General Staff. It comprised the following main departments: T1, National Defence; T2, Organization; T3, Foreign Armies (i.e., Intelligence); T4, Training. In 1935 it was redesignated the General Staff of the Army (*Generalstab des Heeres*)
- Truppführer**, SA and SS rank approximately equivalent to Sergeant
- VDA**, **Volksbund für das Deutschtum im Ausland**, League for the German Community Abroad, an organization with the aim of strengthening the German national groups outside the frontiers of the Reich, which in the course of 1933 came under the control of the **NSDAP**

volksdeutsch, ethnic German; refers to the ethnic Germans (*Volksdeutsche*), i.e., persons of German stock but not of Reich nationality living outside the frontiers of the Reich; see also **Reichsdeutsche**

Volksgemeinschaft, lit. "folk community", i.e., community of persons of common stock and sharing the same political ideals

Volksgenosse (pl. **Volksgenossen**), lit. "folk comrades", i.e., fellow Germans, often applied to members of the German minority groups abroad

Volkstag, the representative assembly of the Free City of Danzig

W, **Abteilung W**[irtschaft], the Economic Department of the German Foreign Ministry

W.A. (Ausl.), **Wehrmachtsamt-Auslandsabteilung**, the Foreign Department of the **Wehrmachtsamt**

Wehrmacht, lit. "defence force", the armed forces of the Reich; see also **Reichswehr**; see also Appendix I

Wehrmachtsamt, Armed Forces Office, one of the principal offices for army matters of the Reichswehr (subsequently the Reich War) Ministry, which dealt with joint matters of the armed forces, liaison between them, and relations of the Reichwehr Ministry with other Reich Ministries and the Party

zu, further to, in connection with: where this precedes the file number it indicates that the previous papers on the subject have this number

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